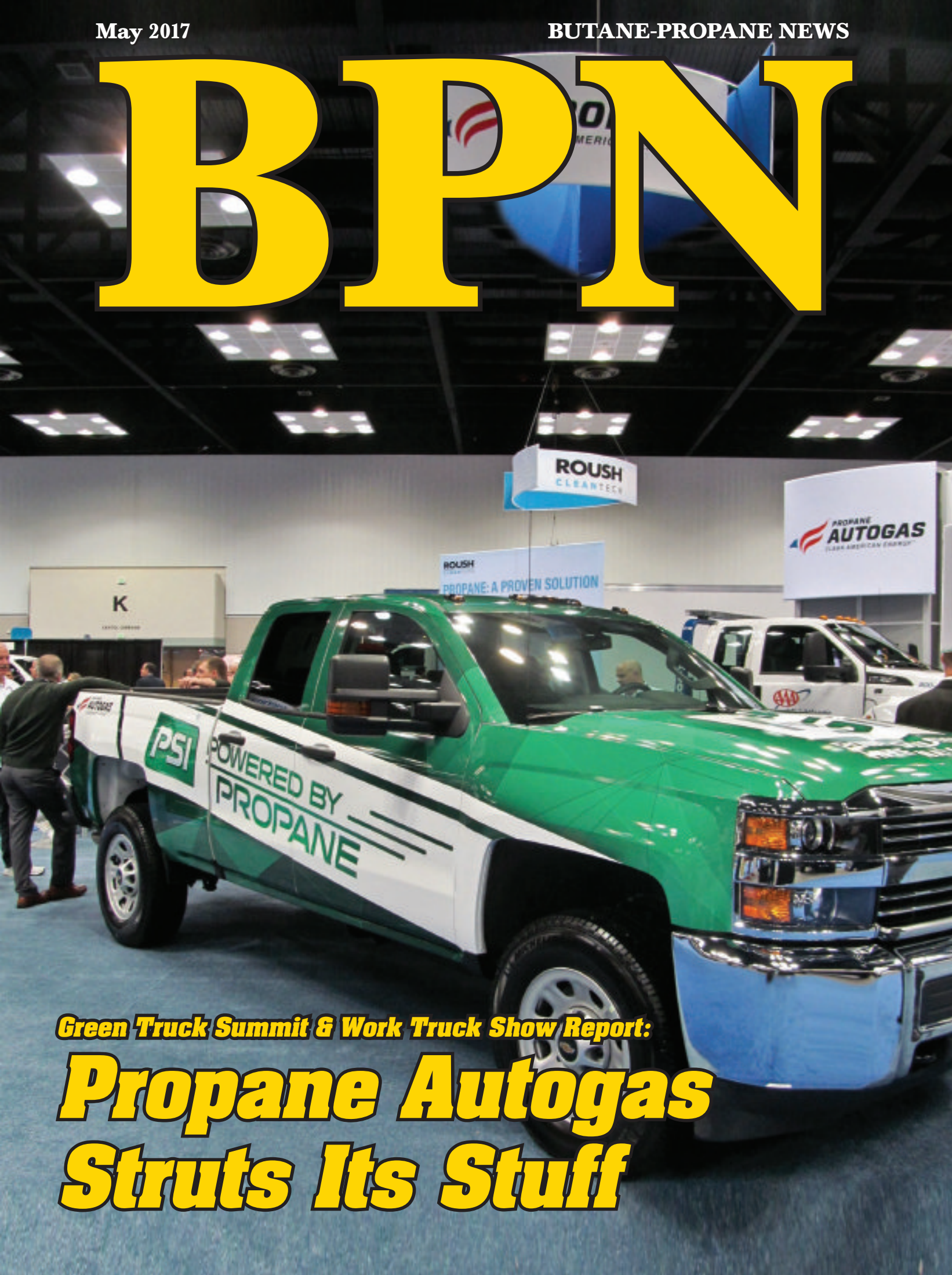
May 2017 BUTANE-PROPANE NEWS

BPN



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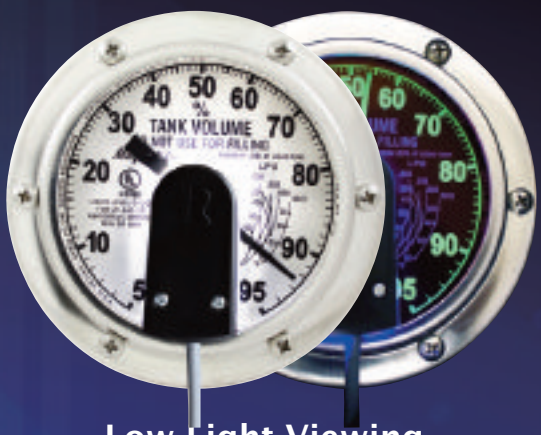

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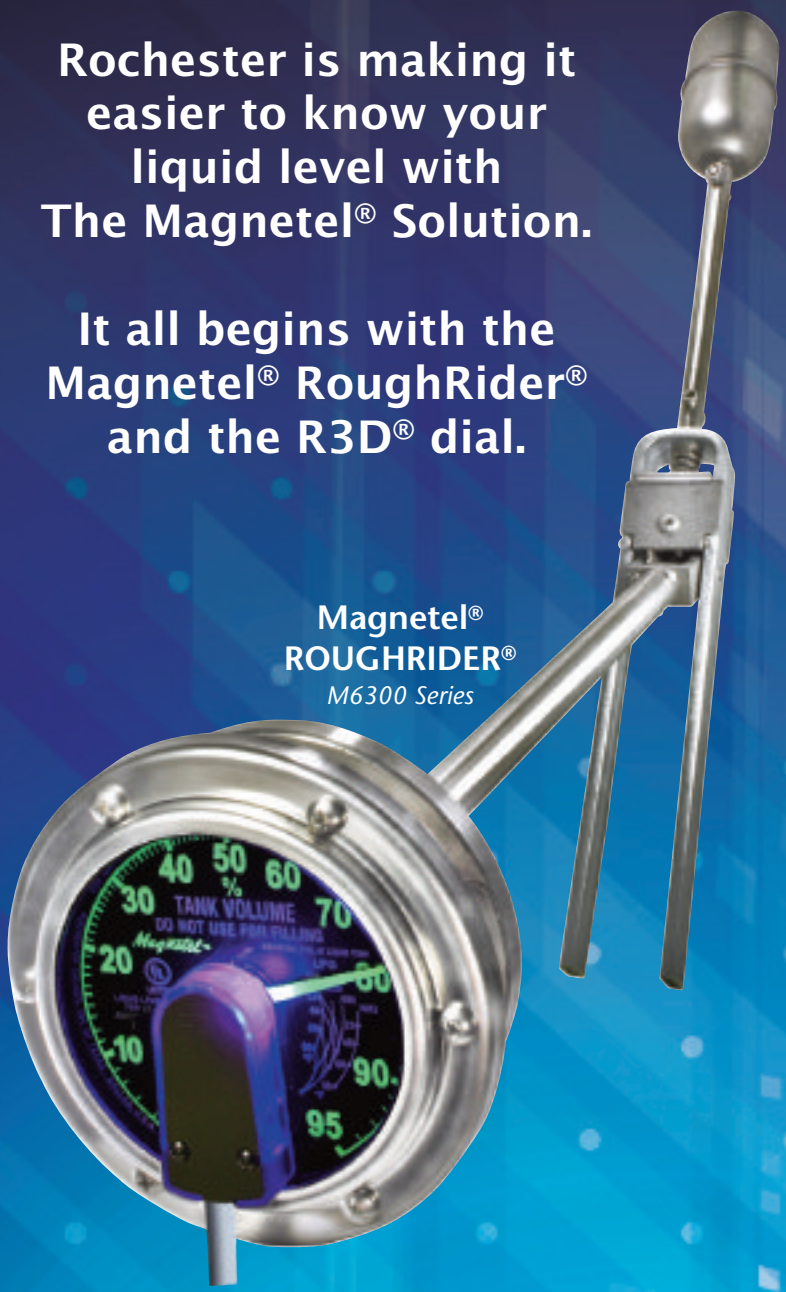

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Vol. 49 No. 5

BPN
BUTANE-PROPANE NEWS

May 2017

Beyond the Mains

By Daryl Lubinsky

The Customer Service Discussion

The program for this year's National Propane Gas Association (NPGA) Southeastern Convention in Nashville appears particularly strong. The educational sessions offer many topics to inform and entertain attendees.

One session, titled, "Differentiate & Dominate: Customer Service Superiority," focuses on specific service behaviors that catch customers off-guard and impress them. Presenter Steve Coscia of Coscia Communications put together the session based on different behaviors he has seen out in the field.

We spoke with Coscia prior to his Southeastern talk, and he said customer service reps should invest most of their time in listening to the customer. CSRs hear the same questions all day long, such as what is the cost for a specific service. "The phone reps' main job is to make the customer feel understood," Coscia stated. "Because there's a reason why customers are asking what something costs or what the schedule is like. In today's world of short attention spans due to our smart phones, listening has come to an all-time low as far as people skills." So when CSRs invest more time listening and verifying information, the customer feels understood, which means greater rapport with the person on the other end of the phone.

When a CSR uses proper grammar and a friendly tone of voice, he or she will be more memorable to the customer, said Coscia, whose training and consulting company focuses on mechanical trades such as propane. "It's not only what we say, it's how we present ourselves, it's how the truck looks, it's the way our presentation is, right down to our uniform and our personal hygiene."

Those are just some of the important customer service topics you can discuss with your team.

BPN will include an expanded report on the 2017 National Propane Gas Association (NPGA) Southeastern Convention in the June issue.

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Trump 2.0

As the Trump administration settles in, the realities of governing may make for some reassignment of priorities.

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Workforce Development Program Gaining Momentum.

NPGA task force plans to provide marketers information on techniques for hiring and retaining quality employees.

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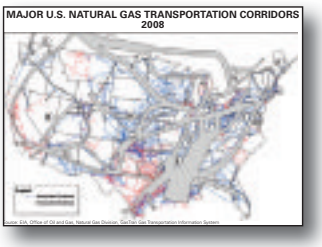
New Dynamics for Propane and Crude Will Likely Support Prices.

Market forces have upended traditional expectations for seasonal price swings.



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Shale Revolution Changes Everything in Northeast.

As NGL production ramps up, there is an increasing need for infrastructure projects in the region.

About the Cover: Our favorite "green" fuel, propane autogas, continued to make a strong showing at this year's Green Truck Summit and Work Truck Show in Indianapolis with displays, educational sessions, and another live upfit of a Ford F-250 to autogas. For more details, see p. 39.

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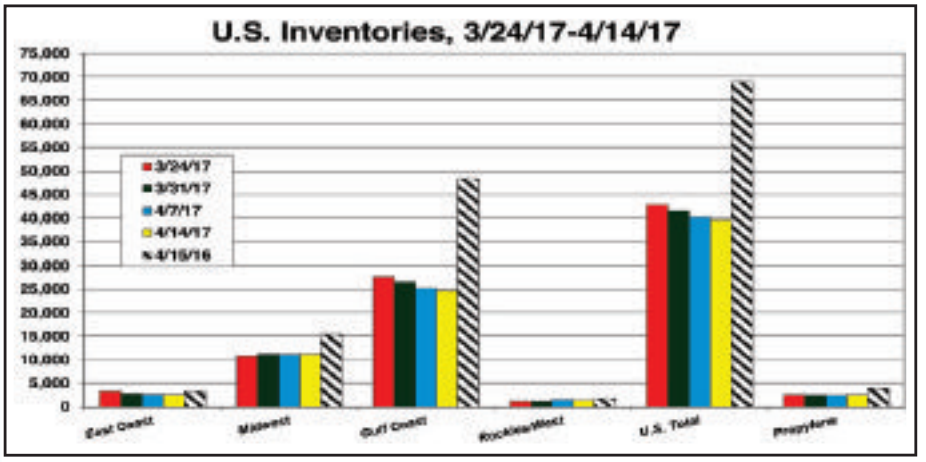
Crude Continued to Wag the Dog

MID-WEEK AVERAGE POSTED/SPOT PROPANE PRICES

(Cents per Gallon)

Date	Mont Belvieu		Group 140	
	POSTED	SPOT	POSTED	SPOT
3-23-17	68.500	57.875-58.50	57.655	53.00-53.50
3-30-17	68.813	60.375-60.75	61.030	56.00-56.75
4-6-17	69.563	63.75-64.125	61.343	58.125-58.75
4-13-17	74.875	68.625-69.125	68.405	65.00-65.75



CANADIAN INVENTORIES

(April 1, 2017)
Thousand Cubic Meters

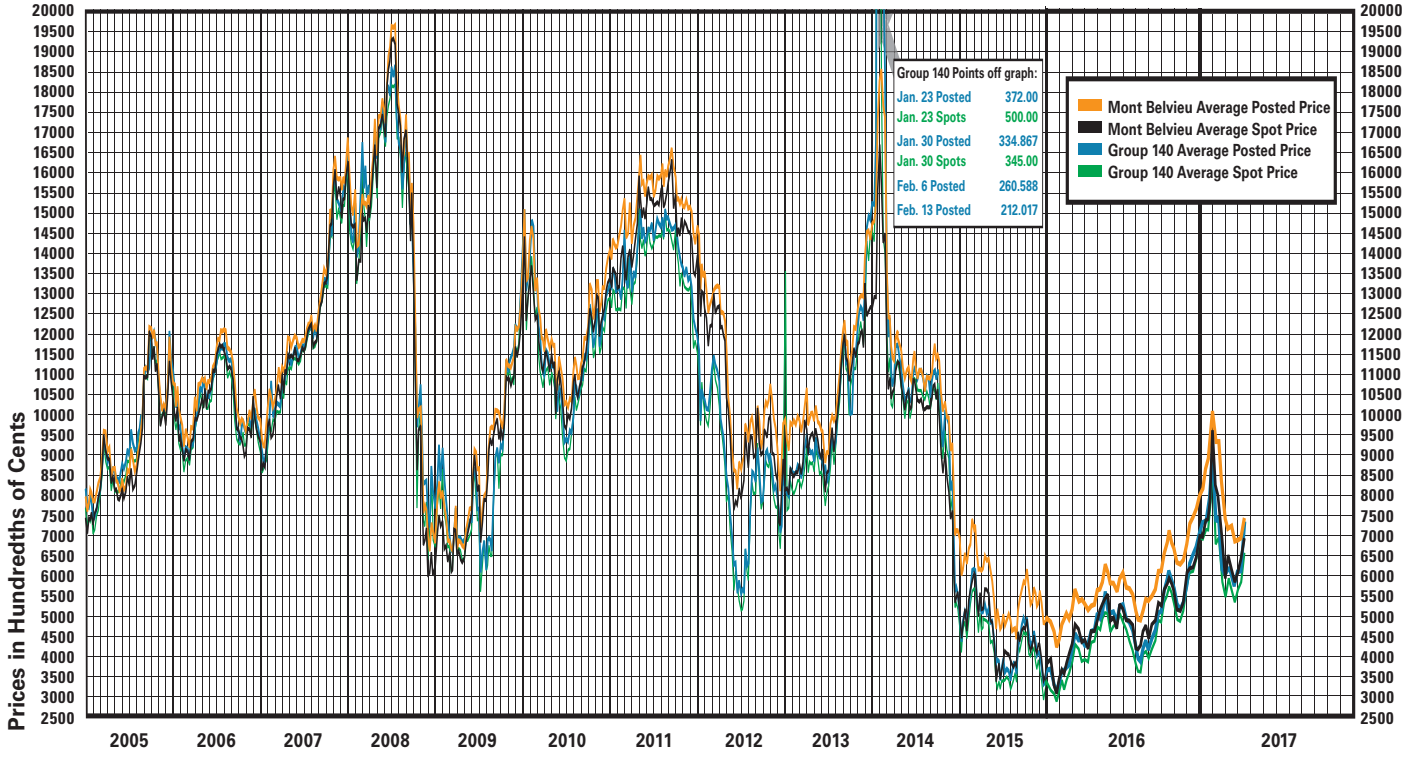
Region	4-17	3-17	Change	4-16
PROPANE				
Propane—East	193.6	232.6	–16.8%	242.2
Propane—West	194.0	210.4	–7.8%	283.7
Total Propane	**387.6**	**443.1**	**–12.5%**	**525.9**
BUTANE				
Butane—East	147.7	116.3	+27.0%	158.4
Butane—West	300.4	213.5	+40.7%	248.0
Total Butane	**448.1**	**329.8**	**+35.9%**	**406.4**

Source: National Energy Board

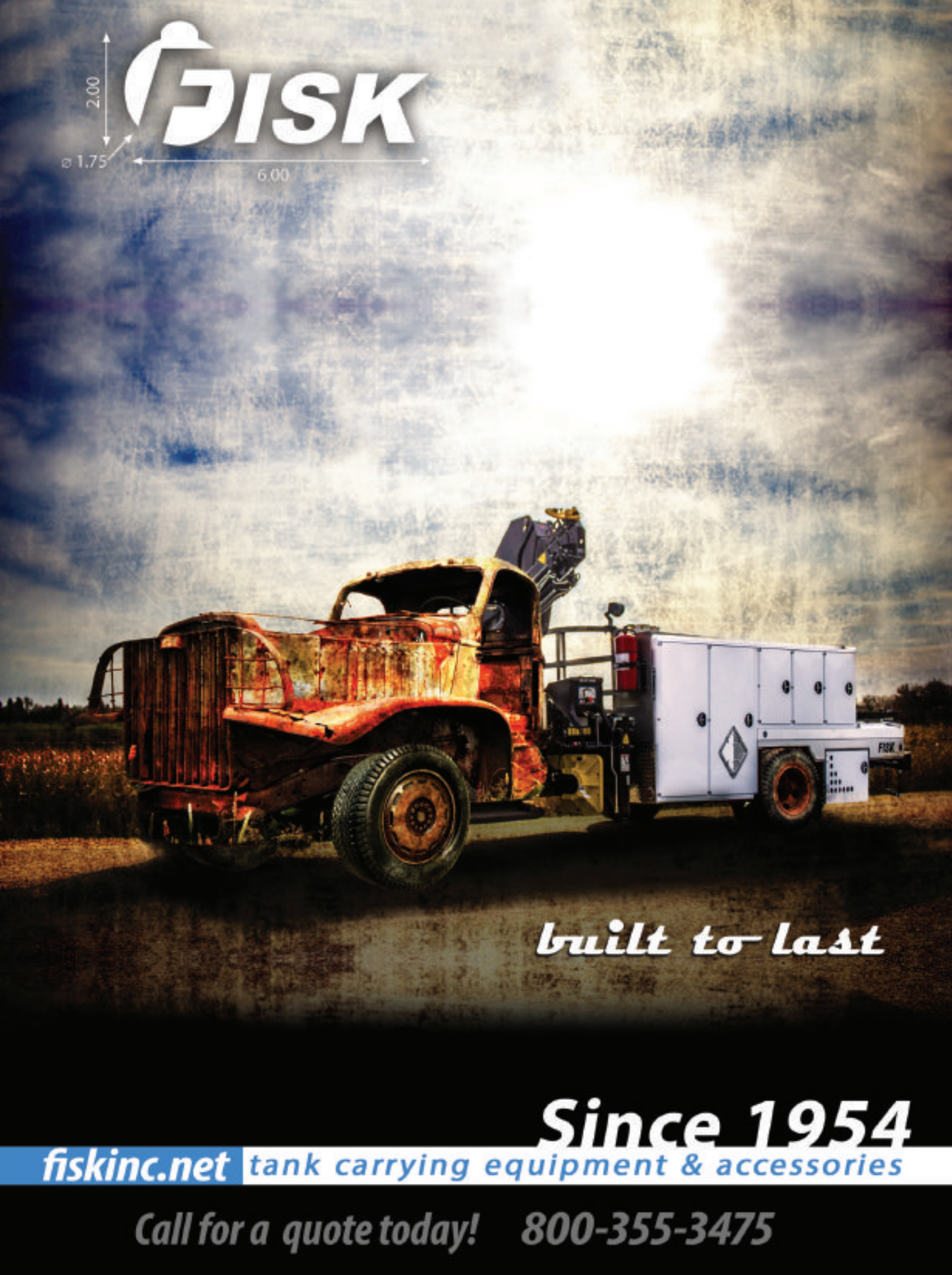
As the price of crude climbed, so did the price of propane. While not in lockstep, crude was a major factor in the propane market.

Mont Belvieu's posted propane prices for the latter half of March slumped from earlier in the month, losing around 4 cents to reach 68.50 cents and end March at 68.813 cents. In early April, they gained a bit of strength to hit 69.563 cents, and toward mid-month soared more than a nickel to finish at 74.875 cents/gal. Group 140 experienced an even greater rise in mid-April. After also seeing a 4-cent reduction in mid-March, prices gained back most of that amount to welcome April in the 61-cent range. Postings added another 7 cents by the middle of the month to end at 68.405 cents.

Spots at both locations saw prices nudge upward as the period progressed. At Belvieu, although prices had been in the 60-cent range, they tumbled to 57.875-58.50 with a week left in the month, then were ready to begin April back over 60 cents at 60.375-60.75 cents. April saw prices flourish as they rose to 63.75-64.125 cents and even higher to 68.625-69.125 cents in mid-April. Group 140, Conway, Kan. also felt the dip, falling to 53.00-53.50 cents and then back to 56.00-56.75 cents before heading into April. The following week prices strengthened to 58.125-58.75 cents and then jumped to 65.00-65.75 cents at mid-month.



MONT BELVIEU & GROUP 140 AVERAGE THURSDAY PROPANE PRICES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WORLD PRICES AND FREIGHT RATES

April 11, 2017

DELIVERED (CIF)

TERMINAL	PROPANE	BUTANE
Rotterdam	$379	$375
Mediterranean	$489	$439
Japan (Contract)	$419	$453
S. Korea (Contract)	$460	$455
China (Contract)		
South China	$413	$447
Taiwan	$414	$448
U.S. East Coast	$345-350.5	$363-367.5

PRODUCERS (FOB) CONTRACT PRICES

TERMINAL	PROPANE	BUTANE
Saudi Arabia	$430	$490
Abu Dhabi	$430	$490
Kuwait	$430	$490
Qatar	$430	$490
Algeria		
Bethouia	$350	$380
Skikda	$350	
North Sea (avg.)	$345.5	$357
Naphtha (cif) Rotterdam (4/11/17)	$482.5	

FREIGHT RATES

Arabian Gulf	
Far East	$32-34
Mediterranean	$35-37
NW Europe	$44-46 (via Suez)
U.S. Gulf	$45-47 (Suez out/Cape back)
Brazil	$46-48 (Cape both ways)
Algeria	
NW Europe	$33-35
Japan	$44-46
U.S. Gulf	$34-36
U.S. E. Coast	$35-37
Brazil	$36-38
Australia	
Japan	$47-49
Northwest Europe	
Japan	$44-46

All prices and freight rates listed above are based on metric tons and are quoted in U.S. dollars, except for Mont Belvieu prices, which are in cents per gallon. The prices fob Middle East terminals are official government established prices and do not include premiums or discounts for spot transactions.

fob: free on board

cif: cost, insurance, freight

LPG Prices Likely to Rise With Brent Crude

Qatar controls nearly 35% of global liquefied natural gas (LNG) production, delivering nearly 20% of Britain's annual natural gas demand. However, the country's renowned energy sector is more focused on establishing the right balance between reserves and production, economic diversification, and the degree of depletion. This is being driven by Qatar Petroleum (QP), an integrated national oil corporation that stands at the forefront of efforts for long-term sustainable development, utilization, and monetization of oil and gas reserves in Qatar.

QP also operates long-term strategic partnerships with major international companies, most notably Royal Dutch Shell through LNG, gas-to-liquids (GTL), shipping, and international investments. As such, the sector is facilitating advanced technological innovation, contributing to the development of a highly skilled workforce, while providing economic stability and a cleaner source of energy for Qatar and the world. As the largest international investor in the country, Shell has invested more than $20 billion in Qatar since 2006 to build a highly material business committed to delivering long-term value for the State of Qatar and Shell for decades to come.

With Brent crude oil, the international benchmark, having increased to just more than $55/bbl, LPG prices are also likely to rise. Spot buying interest has continued to support the large propane and butane markets in Northwest Europe, while trading activity remained extremely slow. Propane prices for large, fully refrigerated cargos in April were at $379 per tonne cif Amsterdam/Rotterdam/Antwerp (ARA) and butane prices also stood at $379 per tonne ARA, with both prices having marginally weakened before strengthening.

The propane coaster market remained quiet, but the butane market remained active with demand from petrochemical manufacturers and blenders. The latest indication of propane spot deals are May 2017 $374-$378 per tonne cif Northwest Europe and June 2017 $375-$379 per tonne cif Northwest Europe. North Sea prices for April were at $345.50 per tonne fob North Sea terminals for propane and at $357 per tonne fob North Sea terminals for butane, with both products having softened, by $63 per tonne for propane and by $92 per tonne for butane.

In the Mediterranean there was a reasonable amount of spot trading, with the butane market lengthening. Large, fully refrigerated cargos of propane stood at $489 per tonne cif Lavera, south of France and butane at $439 per tonne cif Lavera, with propane having dropped $33 per tonne and butane having increased by $21 per tonne since the beginning of April.

Sonatrach, the national oil company of Algeria, set new contract prices for April at $350 per tonne fob Skikda and Bethouia for propane and at $380 per tonne fob Bethouia for butane, with both products having softened, by $55 per tonne for propane and $10 per tonne for butane. The Saudi Arabians negotiated new contract prices for April at $430 per tonne fob Middle Eastern (ME)

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terminals for propane and at $490 per tonne fob ME terminals for butane, with both prices having softened, by $50 per tonne for propane and $110 per tonne for butane. In the Far East buying interest for product moved from the end of April into May.

Some examples of large shipping fixtures include: The *Atlantic Gas*, 22,000 cu meter capacity, was chartered by ExxonMobil (Irving, Texas) to load 12,000 tonnes of butane from Braefoot Bay for delivery option Northwest Europe. The *Gas Beryl*, 80,000 cu meter capacity, was taken by BP (London) to load 44,000 tonnes of LPG from Ferndale, Wash. for delivery options.

The *Gas Leo*, 83,000 cu meter capacity, was fixed by China's Oriental Energy to load 44,000 tonnes of LPG from Houston for delivery to the Far East. The *Gas Legacy*, 3500 cu meter capacity, was chartered by Statoil to load 1800 tonnes of butane from Kalundborg for delivery options.

The VLGC market was very quiet due to a well-attended LPG seminar taking place in Houston.

DCC Energy to Buy Shell LPG Businesses

Shell is selling its LPG businesses in Hong Kong and Macau to the U.K.'s DCC Energy for a reported $150.3 million. As part of the sale, Shell will be entering into a long-term brand license agreement with DCC to ensure its brand remains visible across the LPG enterprises in Hong Kong and Macau.

"This sale supports Shell's strategic commitment to focus downstream activities on areas where we can be most competitive," said John Abbott, Shell downstream director. "This is one of the last of our wholly owned LPG businesses and this sale is another step in Shell's ongoing portfolio optimization strategy to deliver $30 billion of divestments between 2016 and 2018."

Hong Kong and Macau remain important markets for Shell and the sale is not expected to have any impact on the company's other businesses. All local Shell employees affected will be given an option to transition to DCC Energy. The sale is expected to close in the first quarter of 2018, subject to receipt of relevant regulatory approvals.

Pirate Attack Causes Gas Price Hike

A sudden doubling and tripling in the price of LPG cooking gas in Nigeria in March is being blamed on attacks by pirates on vessels headed for Lagos, reports *The Guardian*. Nigeria has ambitious plans under way to promote the use of clean-burning LPG for household cooking. The federal government has introduced strategies to ensure four million households have access to cooking gas by 2019.

Adedayo Adeshina, president of the Nigerian LPG Association, commented that a recent attack did result in the delay of a delivery, but that the issue had since been resolved. He added that the LPG carrier owner had requested more assistance from the Nigerian Navy, and that prices should stabilize soon as a result.

The Nigerian Navy is also involved in the No Crude Oil Theft Campaign, which encourages Nigerian citizens to anonymously turn in oil thieves and saboteurs and seeks to discourage Nigerians from taking part in theft or sabotage. The navy's website notes that oil theft has reached 200,000 bbld. Nigeria's total crude output is pegged at 2 MMbbld.

Women in LPG Seek Legislation

Nigeria's Women in LPG Global Network (WINLPG) is urging the government to take bold and proactive steps by enacting a law on safe cooking in the nation, reports *Vanguard*. The request comes against a backdrop of increasing health hazards associated with using solid fuels such as firewood and charcoal in homes.

Speaking with media representatives in Lagos, Nkechi Obi, national coordinator of the Nigerian chapter of WINLPG, said the health warning was imperative as women in Nigeria joined their counterparts around the globe to mark International Women's Day. According to Obi, there is no better time than now for the government to discourage households from using solid fuels for cooking.

"Every day, millions of women and girls around the world breathe in harmful smoke while cooking and spend hours walking far distances to secure cooking fuel," she said. She recommended the creation of a "female-focused" initiative that invests in women and places them in leadership. Obi added that the government should use the National Orientation Agency to propagate the campaign to switch from firewood, charcoal, and kerosene to LPG cooking gas.

Air Quality Label Draws Attention to Autogas

The World LPG Association (WLPGA) notes that autogas use in France has received a key boost thanks to the progressive arrival of the Crit'Air label. Established in Paris since January 2016, the sticker, encouraged by the government, is expected to gradually spread to most major cities wishing to implement measures to restrict traffic and reduce pollution.

Autogas vehicles, which could see sales take off again in 2017 due to the increase in gasoline prices, have been placed just behind electric vehicles and classified in the Crit'Air 1 level. Therefore, they will not undergo restrictions of circulation should there be pollution alerts. With an average price of €0.70 a liter, autogas is competitive with gasoline and offers an annual savings estimated at 27%. In addition, France has an extensive LPG refueling network, with more than 1750 stations available.

Further, French regions recognize LPG as a clean fuel and give it advantages on grey cards—France's vehicle registrations. Professionals can now also benefit from an exemption on TVS—tax on corporate vehicles—during the first two years of autogas vehicle operation. This applies to all autogas vehicles whose CO_2 emissions are less than 110 g/km.

Conversions Lead to Sustainable Transport

Aiming at contributing to the environment, sustainability, and reducing air and noise pollution in Portugal, Spain, and Italy, Goldcar, a company specializing in holiday car rental, is extending its offering with new LPG-fueled vehicles, reports the *Times of Malta*. In the case of Italy, the newspaper comments, it is worth mentioning the progress of the initiative, especially with the addition of autogas cars in Rome, Venice, Turin, Bologna, Treviso, Palermo, and Catania.

Across Europe, LPG is consolidating its role in energy transition and is leading to a more sustainable road transport. Italy, with the second-largest autogas market in the European Union after Poland and the sixth-largest in the world, has just launched another incentive program with contributions of up to €1000. The contribution includes a €500 benefit for installing LPG systems on gasoline-fueled private vehicles. The program's contribution increases to €750 if an LPG system is installed on commercial vehicles of the Euro 2-3-4-5 standard.

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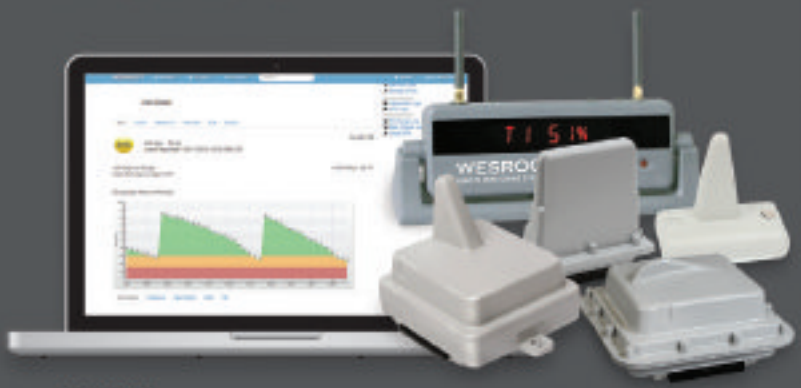

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Pembina Pipeline Signs Intent Letter for Propane Export Terminal

Pembina Pipeline Corp. (Calgary) said April 11 that it had signed a nonbinding letter of intent with Prince Rupert Legacy Inc., a wholly owned subsidiary of the city of Prince Rupert, for the development of a west coast propane terminal on Watson Island, lands owned by Prince Rupert Legacy, located about 15 kilometers south of Prince Rupert, B.C. Under the agreement, Pembina has commenced site assessment and engagement with stakeholders, including First Nations communities.

According to Pembina, initial assessments of the site indicate it is ideal for the development of an export terminal with a capacity of about 20,000 bbld. The capital cost ranges between C$125 million and C$175 million. The company expects a project timeline of two years from the final investment decision. The project is subject to completion of design and engineering requirements, Pembina entering into definitive agreements, the receipt of necessary environmental and regulatory permits, and the approval of the company's board of directors.

''Watson Island has promising potential as an LPG export terminal location,'' said Stuart Taylor, senior vice president, NGL and natural gas facilities. ''In light of our plans to develop a world-scale polypropylene production facility, the smaller export facility we are contemplating for Watson Island—utilizing smaller ships and ensuring very competitive per-unit export facility costs—makes good sense for Pembina.''

The location features a sheltered berth, existing dock space adequate for activities associated with LPG exports, and established rail connections between Redwater, Alta. and Watson Island, while also offering efficient shipping routes to Asian, north, central, and South American markets. In support of the project, Pembina has secured a long-term export permit.

Hundreds Sign Up for Listing on Propane Dealer Point Database

In just six months, nearly 500 outdoor power equipment dealers have been added to Propane Equipment Dealer Point. The free, searchable, online database, located at *propane.com/dealer-point*, allows landscape contractors to find local, knowledgeable dealers committed to selling propane-fueled mowers. The tool was launched last summer by the Propane Education & Research Council (PERC).

''That so many applications were submitted in such a short time shows that dealers see the value of being listed in the database as a way to drive more customers through their doors while differentiating their product offerings from the surrounding competition,'' said Jeremy Wishart, PERC deputy director of business development. ''Plus, contractors now have a way to easily find a local dealer who can provide real details about propane equipment and partner with them on the path to fleet conversion.''

Dealer Point is more than an online dealer Rolodex. Every equipment dealer listed in the database is vetted by a series of questions prior to listing so contractors know they are contacting a dealer with a legitimate interest in selling propane equipment, in addition to the ability to answer their questions about the fuel.

A recent survey conducted by PERC showed Dealer Point is positioned to continue adding dealers with knowledge of propane equipment. More than 60% of dealers surveyed in 2016 said they expected to offer propane equipment in the next three years. Dealers from 47 states are currently listed in the database and several states have dozens of signups already listed. Pennsylvania has more than 40 dealers listed; Texas, more than 30; and Florida, California, and Indiana all have more than 20 dealers listed.

Asian Naphtha Demand Fades as LPG Is Used as Cheaper Alternative

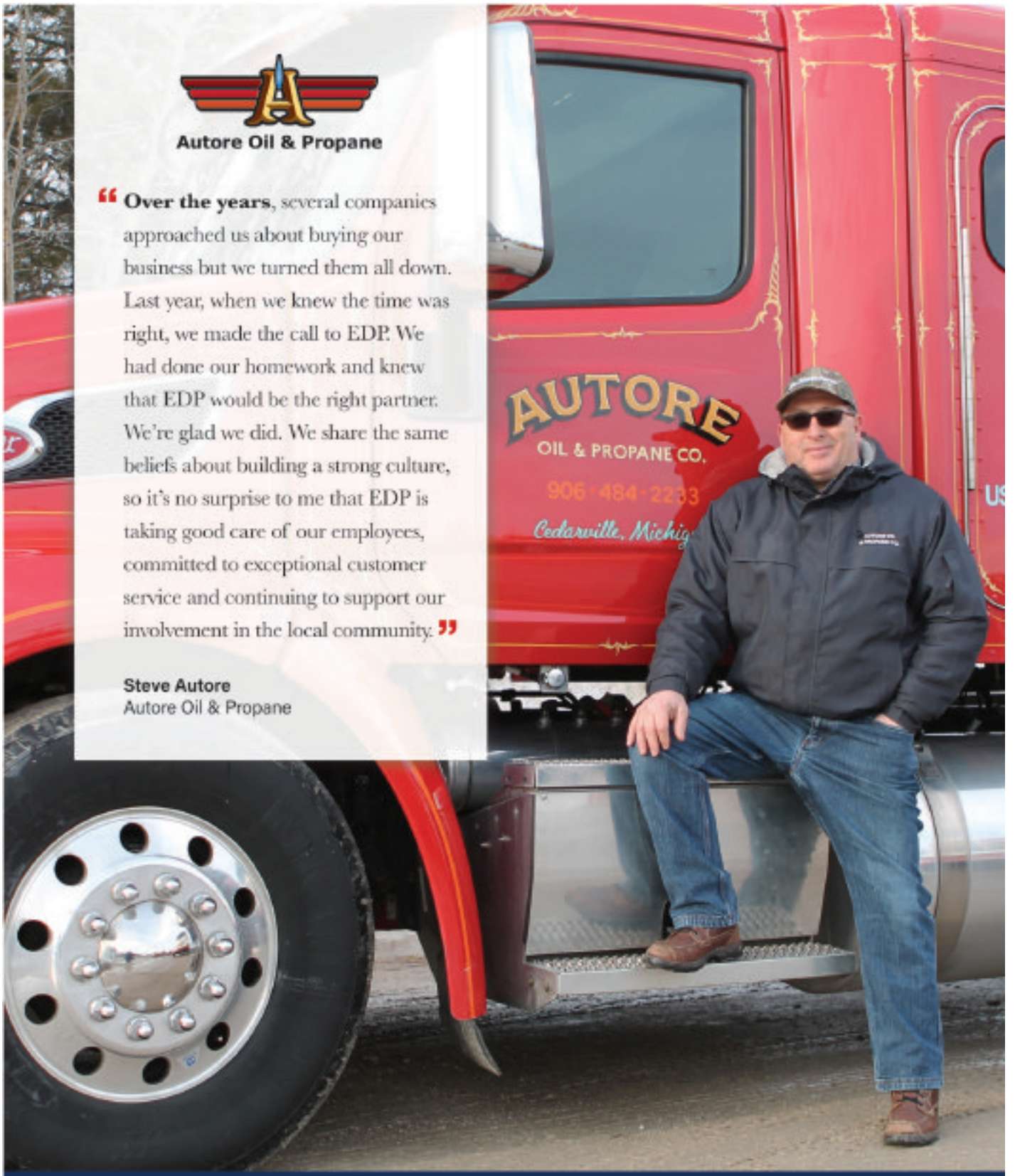
Asian petrochemical producers are ramping up their purchases of LPG for use as an alternative feedstock to crude oil-based naphtha, reports *The Star Online*. Producers are looking to buy cheap LPG cargos as heating demand fades in the wake of winter. However, faltering demand for naphtha could drag on prices that have been at premiums to benchmark Japanese quotes for most of the year compared to discounts in 2016, meanwhile offering support to LPG markets.

Taiwan's Formosa Petrochemical Corp., Asia's top naphtha importer, in early April reportedly bought its first spot LPG cargo of the year, with South Korea's LG Chem and Lotte Chemical also taking cargos. Asian petrochem companies typically can shift 5% to 15% of their feedstock to LPG when prices drop below 93% of the cost of naphtha. The spot price for cargos to be delivered to Asia in the second half of May recently were less than 86% of naphtha's at $493.50 a tonne.

Traders told *The Star* they estimate about 300,000 tonnes of LPG is expected to replace naphtha in May, or around 7% of north Asia's demand, and that total could climb to 400,000 to 450,000 tonnes in later months. Forecasts call for LPG prices to be weak relative to naphtha in coming months, incentivizing petrochemical demand.

Enterprise to Build NGL Pipeline From Permian Basin to Belvieu

Enterprise Products Partners LP (Houston) will construct a new 571-mile pipeline to transport growing volumes of NGLs from the Permian Basin to its fractionation and storage complex in Mont Belvieu. The Shin Oak NGL pipeline will originate at Enterprise's Hobbs fractionation and storage facility in Gaines County, Texas. The 24-in.-dia. line will have an initial design capacity of 250,000 bbld and be expandable to 600,000 bbld. The project is supported by long-term customer commitments and is expected to be in service in the second quarter of 2019.



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In addition to mixed NGL supplies aggregated at the Hobbs facility, the Shin Oak pipeline will provide takeaway capacity for mixed NGLs extracted at natural gas processing plants in the Permian region. It will also increase the company's capacity to transport purity NGL products from Hobbs to Mont Belvieu.

Enterprise's Mont Belvieu NGL complex, said to be the largest of its kind in the world, offers access to about 130 MMbbl of underground storage capacity and 670,000 bbld of fractionation capability. The company is building a ninth fractionator at Belvieu that will increase capacity by 85,000 bbld. Completion is expected in the second quarter of 2018. Mont Belvieu is also pipeline-connected to the Gulf Coast, as well as to Enterprise's LPG and ethane deep-water marine export terminals on the Houston Ship Channel.

Pennsylvania Governor Outlines Opportunities for Manufacturing

Pennsylvania Gov. Tom Wolf and the Team Pennsylvania Foundation have released a report that forecasts $2.7 to $3.7 billion in investments for natural gas liquid assets in the Keystone State and the opportunity to attract additional cracker plants and petrochemical plastics manufacturing. The study, Prospects to Enhance Pennsylvania's Opportunities in Petrochemical Manufacturing, was prepared by IHS Markit.

"Pennsylvania has a once-in-a-generation opportunity to develop and implement a strategy that will cultivate a manufacturing renaissance and transform our economy across the commonwealth," said Wolf. "The foundation for building a diverse and robust petrochemical and plastics industry was initiated with the decision by Shell Chemicals to invest in Pennsylvania—and we must ensure that we make the most of this chance to create good paying jobs for Pennsylvanians."

According to the study, natural gas from the Marcellus and Utica shale reserves accounted for a quarter of all natural gas produced in the U.S. in 2015, and is expected to account for more than 40% by 2030. In addition, 40% of the natural gas produced is rich in natural gas liquids, more than 70% of which is ethane and propane. Ethane and propane are important high-value NGLs used in basic petrochemical production and plastics manufacturing.

Pennsylvania has a significant base of existing plastics manufacturers as potential customers, which IHS notes will benefit from significant reductions in feedstock costs because of their close proximity to resources. "The prospect that the Marcellus and Utica shale plays can support up to four additional ethane crackers beyond Shell

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Pennsylvania Chemicals is an exciting opportunity for the commonwealth, as is the IHS forecast that a coordinated strategy has the potential to leverage up to $3.7 billion in investment into NGL assets alone for gas processing facilities, NGL pipelines, and storage facilities,'' said Dennis Davin, secretary of the state's Department of Community and Economic Development. ''The study is a roadmap that will help us jump start our strategy to attract that investment.''

IPAA Welcomes Executive Order Tackling Costly Energy Regulations

Independent Petroleum Association of America (IPAA) president and CEO Barry Russell joined President Trump at the recent signing ceremony for the energy independence executive order. The order seeks to roll back duplicative regulations that stand to impede American energy production and job growth.

''Today's action by President Trump calls on his administration to review existing federal agency policies that have held back American energy production, rescinding rules that have limited our economic growth with little benefit,'' Russell said. ''This common sense action stands to provide clear benefits for the economy, consumers, and the environment.''

He added that thanks to the industry's innovative spirit and the increased use of clean-burning natural gas, U.S. carbon emissions are at their lowest level since 1992. Further, this achievement would not have been possible without advancements in hydraulic fracturing and horizontal drilling, technologies pioneered by America's independent oil and natural gas producers. ''Rather than imposing duplicative regulations from Washington, this type of industry-driven, market-based approach is the solution to ensure robust American energy development continues while we protect the air, water, and land we all cherish. IPAA welcomes President Trump's bold decision to tackle the growing regulatory state and identify rules that harm the economy and threaten jobs.''

State Department Issues Permit For Keystone XL Pipeline

The U.S. Department of State's undersecretary of state for political affairs has issued a presidential permit to TransCanada Keystone Pipeline LP authorizing TransCanada Corp. (Calgary) to construct, connect, operate, and maintain pipeline facilities at the U.S.-Canadian borders in Phillips County, Mont. for the importation of crude oil. The Department of State reviewed TransCanada's application in accordance with Executive Order 13337 and a January presidential memorandum regarding construction of the Keystone XL pipeline.

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In making his determination that issuance of the permit would serve the national interest, the undersecretary considered a range of factors, including but not limited to foreign policy, energy security, environmental, cultural and economic impacts, and compliance with applicable law and policy. ''We greatly appreciate President Trump's administration for reviewing and approving this important initiative and we look forward to working with them as we continue to invest in and strengthen North America's energy infrastructure,'' said Russ Girling, TransCanada president and CEO.

Keystone XL is an important piece of TransCanada's comprehensive U.S. growth portfolio driving an investment of more than $15 billion in liquids and natural gas projects that will create thousands of well-paying jobs and generate substantial economic benefits across the nation.

TransCanada will continue to engage key stakeholders and neighbors throughout Nebraska, Montana, and South Dakota to obtain the necessary permits and approvals to advance the project to construction.

ThompsonGas Acquires Two Missouri-Based Operations

ThompsonGas has acquired the assets of Dallas County Propane (Buffalo, Mo.) from owners Lee and Monica Garrett; and Garrett's Propane of Rogersville (Rogersville, Mo.), from owners Mark and Shellena Garrett. Mark Garrett has joined ThompsonGas as manager of both operations.

ThompsonGas COO, George Koloroutis, commented on the acquisitions: ''These are our second and third acquisitions in the state of Missouri since 2016. Both transactions will provide an immediate contribution to our business. We are very proud to welcome their customers and employees to the ThompsonGas family.''

The company now serves more than 95,000 customers in 17 states, among them Maryland, Virginia, Pennsylvania, West Virginia, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Alabama, Mississippi, Florida, Minnesota, Wisconsin, Missouri, Washington, and Oregon.

EPA Delays RMP Again

Environmental Protection Agency (EPA) administrator Scott Pruitt is further delaying recent changes to the Risk Management Program (RMP), according to the National Propane Gas Association (NPGA). The previous administration finalized controversial amendments to the RMP in January 2017; however, it was initially delayed by President Trump's ''Regulatory Freeze'' executive order. Subsequently, EPA received three petitions for reconsideration, one led by the American Chemistry Council, another from the Chemical Safety Advocacy Group, and a third from a collection of states.

In response, Pruitt announced a delay of the effective date to Feb. 19, 2019. Over the next two years, EPA will review the petitions, open a comment period to solicit public feedback, and host listening sessions in Washington, D.C., the first scheduled for April 19. Pruitt's objective is to reconsider the finalized amendments to the RMP as well as consider potential new adjustments that would improve the effectiveness while reducing burdens to businesses.

RMP requirements apply to hazardous materials facilities that store a certain threshold quantity of specific chemicals, including facilities with more than 10,000 pounds of propane; however, there is an exemption for retail operations.

NPGA opposed several of the requirements in EPA's proposal and joined other trade associations in a letter to the Office of Information and Regulatory Affairs (OIRA) urging review of the financial costs and burdens of the new requirements. EPA proposed modifications to RMP that include costly third party audits, extensive investigations on nearly disastrous incidents, complex technology alternatives to improve safety, and additional record-keeping as well as public reporting of facilities' safety plans.

For information, contact Sarah Reboli, NPGA director of regulatory affairs, at *sreboli@npga.org*.

Trammo to Divest Newington, N.H. Propane Terminal; LPG Assets Go

Commodity trader Trammo Inc. (New York, N.Y.) is putting its Newington, N.H. propane terminal up for sale, reports Reuters. The sale follows the company selling its Tampa, Fla. terminal to Plains LPG Services, a unit of Plains All American Pipeline LP (Houston), for an undisclosed amount in February.

Sea-3, a division of Trammo, operated the Tampa terminal and currently operates the Newington facility. Noted is that the New Hampshire terminal is well-positioned to receive propane from the Marcellus and Utica shale regions, but an expansion project at the facility has come under fire from community groups and residents who object to rail shipments into the terminal. However, an expansion plan that would allow additional railcar shipments and more storage was approved in 2015.

Sources quoted by Reuters said Trammo has retained the services of investment bank Houlihan Lokey Inc. to explore alternatives for the Newington terminal that include a sale. The bank is currently marketing the facility through a formal sale process. Trammo is said to be shedding its LPG assets as the large energy and fertilizer trader winds down its LPG trading desk.

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Democrats Look to Defeat Trump, But He's Not on Ticket

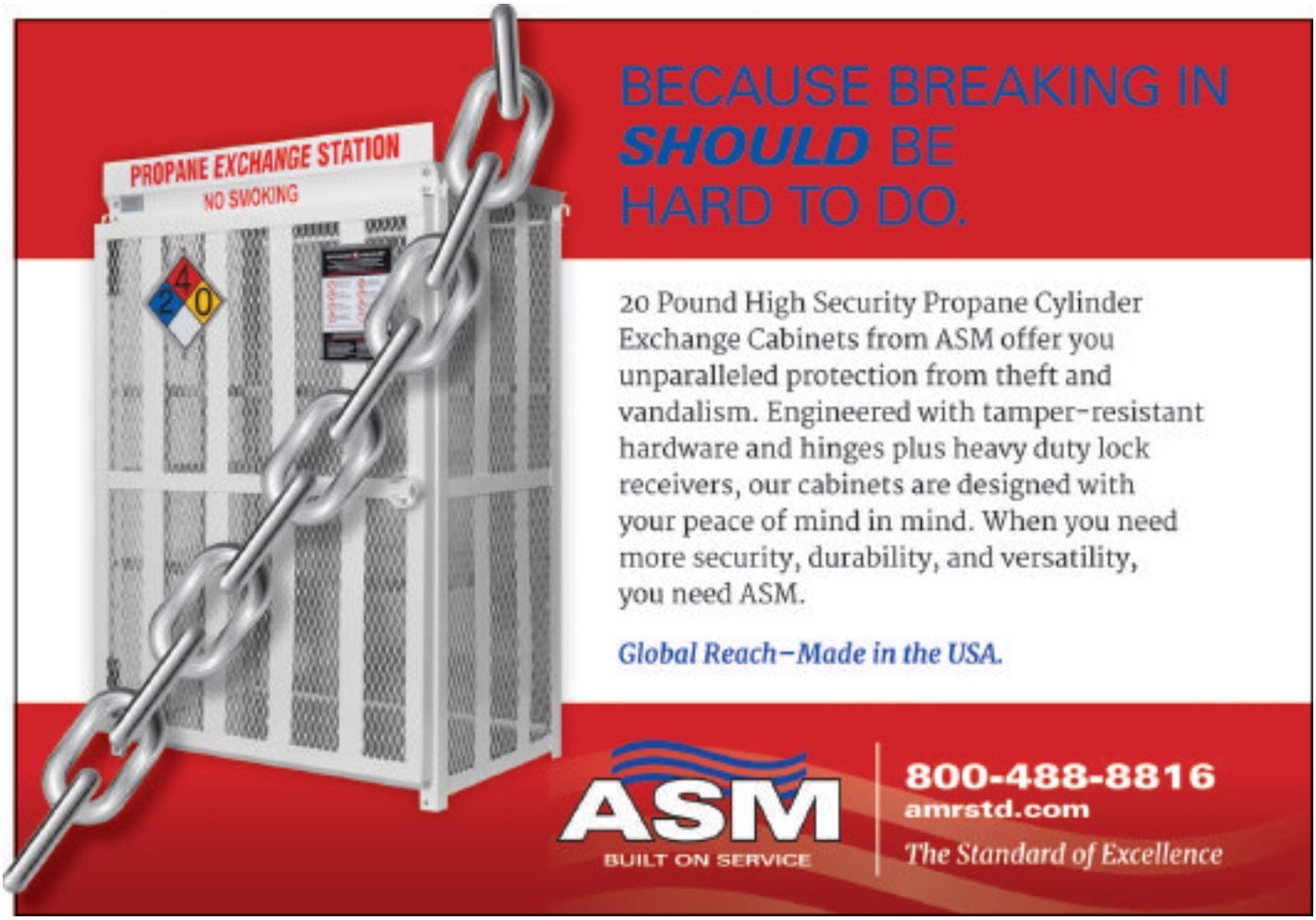
By Peter Ferrell

In April, a special election will take place in the north-Atlanta suburbs to fill a U.S. House seat vacated by Rep. Tom Price, who is now the Health and Human Services cabinet secretary in the Trump administration. While this election will not be the first federal election since the new administration took power, it will be the first seriously contested race, with the Democrats looking to win in an upset. For the Democrats, capturing Georgia's 6th Congressional district is less about increasing clout and leverage in Congress and more about providing red meat to the fanatically upset grass-roots factions on the left still beside themselves after a Trump victory.

Georgia's 6th Congressional district is, by every calculation, Republican country. It has been represented by just two GOP members since 1979, including former House Speaker Newt Gingrich, and the average margin of victory was over 30 points for Rep. Price for the past 12 years. However, the district is not Trump country. While Trump won GOP congressional districts nationally by an average of 23.2 points, he only won Ga.-6 by 1.5 points. Sure, a win is still a win, but with the agony of defeat still searing in the minds of Democrats, an opportunity to pick up a solidly GOP House seat via Trump-hate would be a savory consolation prize.

In a sense of déjà vu, the field of candidates for this special election is similar to those in last year's presidential elections in terms of numbers. There are five Democratic candidates, with Democratic party-favorite Jon Ossoff the preordained frontrunner. For the Republicans, there are 11 candidates, with three promising but no favorite frontrunner emerging—Karen Handel, Bob Gray, and Judson Hill. In mid-April, all these candidates met in the special election, with the top two candidates advancing to a run-off election regardless of party.

(Continued on p. 24)



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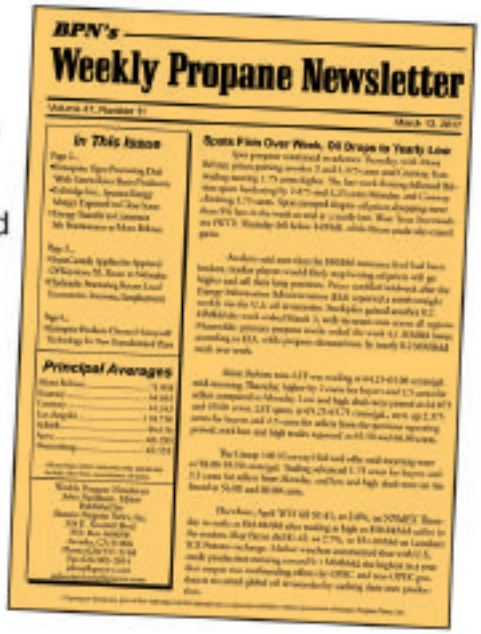
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Puerto Rico Court Sends Training Case to Jury

By David R. Schlee

Late last year, a United States District Court in Puerto Rico denied a defense motion for summary judgment, ruling that the plaintiffs' allegations of inadequate warning and training of an independent gas technician were for the jury to decide. The case is *Mateo v. Empire Gas Company*.

The "Gasero"

On Feb. 19, 2010 Pedro Dones installed a 100-lb propane cylinder at the home of Jorge Andino and Rafaela Mateo. Dones was a licensed and certified independent propane gas vendor, known in Puerto Rico as a "*gasero*." The Puerto Rico Public Service Commission regulates the sale and distribution of propane in Puerto Rico. It issues licenses to *gaseros*, after providing them with training and seminars.

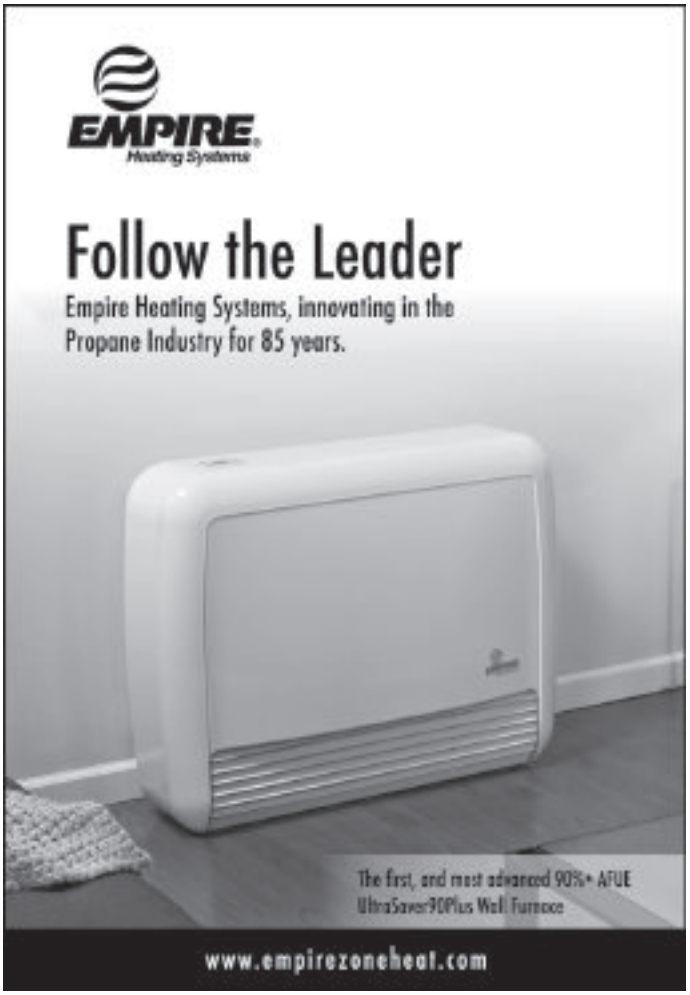
Before installing the cylinder at the Andino-Mateo residence, Dones took it to a filling plant operated by Empire Gas, which distributes propane throughout Puerto Rico. The cylinder was properly filled without incident, and Dones then took it to the Andino-Mateo home for installation that same day.

Just over a month later, on March 27, 2010, there was an explosion at the Andino-Mateo residence. Jorge and Rafaela received catastrophic injuries, and subsequently died. Their two minor children were also seriously injured in the incident.

It was alleged in the subsequent lawsuit that the explosion was the result of a leak in the hose that carried propane from the cylinder to a stove inside the house.

Cause of Explosion

The plaintiffs filed suit against Empire Gas, as well as the *gasero*, Pedro Dones. The claims against Empire were primarily based on alleged failure to provide adequate



warnings and instructions to Dones. Empire responded with a motion for summary judgment, asserting that the allegations against it should be dismissed because it had no duty to train or warn Dones.

In considering the motion, the court first noted that Empire did not provide Dones with any training regarding the proper installation procedures for propane cylinders, or regarding the potential hazards of propane. The court contended that not only did Empire have no duty to do so, but in fact it was not allowed to, and that only the Public Service Commission provided such training to *gaseros*.

The court also noted that Empire did not provide warnings or safety literature to the ultimate consumers of the propane sold, adding that there is no statute or regulation requiring such warnings.

The court first concluded that, despite its lack of contact with the plaintiffs, Empire nonetheless owed them a duty of reasonable care.

Defendants argued that they owed no duty of care to plaintiffs since they had no direct contact with them. As defendants stated, all they did was fill up the subject cylinder at the request of a licensed *gasero*. However, this does not absolve defendants of potential liability to plaintiffs. A seller, manufacturer, or supplier of a product owes a duty of care to any person whom it should expect to use the product. Here, Empire should have expected that Dones, the *gasero*, would sell the tank to the ultimate consumer. Thus, its duty of care extends to plaintiffs, even though it had no direct contact with them.

Unique Position

The court then held that it was for the jury to decide whether Empire had breached its duty of care:

> At this stage, the court cannot conclusively determine that no reasonable jury would find that defendants breached their duty of care to plaintiffs. Empire Gas is the leading importer and distributor of propane gas in Puerto Rico. In addition, Empire receives substantial educational materials from entities like the National Propane Gas Association and the Propane Education & Research Council regarding the use of propane gas, adequate warnings, and safety instructions. Thus, Empire is in a unique position to have superior knowledge of the dangers and recommended safety precautions of propane gas. Despite this, Empire did not provide Dones with any training or instructions concerning safety precautions and the dangers of propane gas. A reason-

able jury could conclude that this was a breach of Empire's duty of care.

Empire argued that it simply was not authorized to provide any formal training or educational seminars to *gaseros*. The court rejected such a notion. First, the court found no statute or regulation that legally prohibited Empire from offering training to *gaseros*. Empire offered a statement from the clerk of the Public Service Commission indicating that, in 2010, no private entities were authorized to provide any formal education or training seminars to *gaseros*. The court rejected this submission out of hand, indicating that it was not bound by it.

In addition, the court pointed out that Empire's own representative had testified that Empire could provide training to *gaseros* as long as it registered with the Public Service Commission, and that Empire had in fact provided such training to *gaseros* in the past.

It appears that, after Empire's motion for summary judgment was denied by the court, there was a mediation at which the plaintiffs' claims against Empire were settled.

David Schlee is a shareholder in the Kansas City law firm of Schlee & McCarthy PC. Readers may contact him at drschlee@schleelaw.com.

PropanePAC News

(Continued from p. 20)

A straight win for Ossoff (50% +1 of the vote) in the special election on April 18 will be viewed as a referendum on the Trump presidency and sold by left-leaning grass-roots groups as proof that the administration is aloof and out of touch, even within Republican strongholds. However, if he does not clear the 50% +1 vote-getting bar and is forced into a run-off election, his chances may diminish greatly. The polling suggests that Ossoff will face one of the 11 GOP candidates in a run-off, who will turn their campaign guns away from each other and toward Ossoff. The fact that Ossoff has received most of his campaign funding from donors and groups outside of Georgia may come back to haunt him. Ga.-6 may not like Trump, but it likes local representatives an awful lot. And, traditionally, Republican voters may not think too kindly of supporting a candidate christened by liberal activists from California, Illinois, and New York.

We'll soon find out.

Peter Ferrell is director, political and industry affairs, of the National Propane Gas Association.

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Trump 2.0

By Joe Colaneri

National elections have a way of reflecting, clarifying, and predicting. That was my opening line in the third in a series of articles I have written for ***BPN*** in the past year—that particular piece in the aftermath of the 2016 elections. Things don't seem to be working out the way the Trump administration or the Republican Congress had expected, or the way Congressional Democrats facing a minority status would have predicted.

The First 100 Days

The first 100 days of any presidency are considered a benchmark on legislative progress. FDR wrote the book on an aggressive first 100 days agenda, but the country was in the midst of the Great Depression, and bold action was required. Also, FDR had just won an historic landslide, not the modest Electoral College win that Trump claimed, and while he may not accept the implication, his loss of the popular vote has limited his mandate and is now impacting his legislative agenda and ability to govern. Nonetheless, fair or not, presidents are often judged successes or failures based on their first 100 days, and this initial period can shape their entire agenda. Presidential historians also argue that any administration must accomplish the bulk of its policy agenda in its first two years or it will not necessarily happen. Once political capital is spent, momentum is simply lost, and the initial mid-term elections (2018) often reshape the political playing field.

Trump has, and will continue to issue, executive orders in lieu of legislation, but realize that those orders don't carry the same legal standing and are only as viable as the president's tenure in office. The next Democratic president will surely reverse all of these orders as Trump reversed Obama's. Trump will not be able to govern by executive order alone. And neither the propane industry nor any other industry can build or sustain a business based on executive orders, unless they choose to roll the dice.

The healthcare defeat marked a bit of a lull in the legislative action as we headed into the Easter recess. Trump and the Republican congressional majority need to pick up the pieces and may need to build bipartisan coalitions in order to pass legislation. Trump has already alluded to this necessity on healthcare, if the Democrats are even listening. They may learn as the GOP did during Obama's terms that the path to power may lie in their opposition to Trump, not in their cooperation.

The Dance of Legislation

The demise of the Obamacare repeal and replace resembled more of an elimination round on "Dancing With the Stars" than a carefully choreographed legislative endeavor. Opposition is easy, as the House GOP learned during Obama's time; proactive governing is a different matter. So, on with the show.

Tax Reform Is Next?

What to make of tax reform? The Congressional Republicans are just now coming to grips with the reality that this effort will be no slam dunk. Why? Powerful forces are lined up against several of the GOP tax plans' guiding principles. The House GOP's "Better Way" agenda calls for a major transformation in tax policy—a promotion of market forces and an elimination of the tax subsidies that House Speaker Paul Ryan has long campaigned against as skewing the economy and picking winners and losers. However, Ryan begins this critical debate with one hand tied behind his back, because he had hoped to pay for the corporate and individual rate cuts that backstop his proposal with revenues gleaned in the failed Obamacare repeal effort. That revenue projection in the hundreds of millions has to come from somewhere or it will have to be added to the national debt—or from something known as Border Adjustment, a tax on imports and a tax holiday on exports. But think for a minute: Everything imported would be taxed from soup to nuts unless Congress begins exempting certain products from the tax. This could seriously undermine the propane and other industries' business by taxing equipment sold into the U.S. market that is imported.

Already Walmart and other large retailers are on the Hill fighting Border Adjustment, while Trump appears indifferent, and headwinds are forming in the House and Senate. How can we pay for $2 trillion in corporate and

individual tax breaks without the Obamacare tax windfall and Border Adjustment? And could this effort even be called tax reform without the substantial economic redirection envisioned by the House GOP tax blueprint? And would the empowered House Freedom Caucus allow a clean $2-trillion tax cut without passing other reforms to pay for it? In order to pay for the corporate and individual rate cuts, will Congress have to start eliminating popular tax breaks such as the mortgage interest deduction or the oil depletion allowance, or smaller but no less popular items such as the clean fuels tax credits?

Rebuilding America?

Infrastructure is the third of the major initiatives President Trump touted on the campaign trail. The country needs an overhaul, from airports to roads to the electric grid, and it commands wide support because it would put people to work in good, sustainable, all-American jobs. But how are we going to pay for it? Increase the gas tax? Public/private partnerships? Please explain how this massive $1-trillion rebuild would work without the infusion of federal cash. Without the money, it's just voodoo economics.

Finding Common Ground With Trump 2.0

The battle over Obamacare, tax reform, or infrastructure need not delay or deter the propane industry from finding common ground with the administration. The industry can truly shape its own legislative and regulatory agenda while it awaits clarity on these big-ticket items.

By developing an agenda sufficiently aggressive, flexible, realistic, and consistent with the Trump administration's governing philosophy and natural constituency, propane can play Trump's game and vice versa. The propane industry may find that there's a deal or deals to be made with Trump, and it may find a willing partner.

An example: Working with the Department of Energy (DOE) for research funding for propane will be problematic under Trump because of steep DOE budget cuts. Conversely, the Department of Defense (DOD) will likely see big increases in funding that could be targeted for industry energy and infrastructure priorities such as demonstrating new clean propane technology on military bases. DOD isn't backing away from its green goals. As a world-class energy consumer, it knows where its energy future is.

The industry could promote other possible programs in partnership with the Trump administration as part of a 21st century innovative propane industry agenda that would leverage the funding, tax, infrastructure, and public/private partnership opportunities that frame Trump's national policy priorities.

The National Propane Gas Association (NPGA) and the Trump administration could announce at a White House meeting with the president and industry leaders the formation of a Propane Innovation Coalition to develop industry policies and partner with Capitol Hill and Administration allies on a series of propane initiatives that promote propane's historic role in the Rust Belt and as a pathway for economic growth and job creation in this region. This could include, but not be limited to, the following:

- Developing/demonstrating military and rural America (Rust Belt) new propane technology applications;
- Combined heat and power (CHP) use on military bases;
- Offering propane mower demonstrations on military base facilities, including sports and golf turf, and in selected Rust Belt communities as begun by PERC on golf courses;
- Expanding the 50-cents/gal. tax credits for over-the-road to lawn mowers, and seek CHP incentives as well;
- Building propane refueling infrastructure corridors along key Rust Belt U.S. interstates as part of the infrastructure package;
- Bringing new technology demonstrations and creation of new jobs to the Rust Belt;
- Offering border adjustment tax and trade alternatives;
- Developing a targeted package of regulatory relief (presidential executive orders) that would relieve burdensome regulation and promote clean propane over-the-road and off-road technology; and
- Seeking public/private partnerships working with the Trump White House team that leverage Trump's constituency in the rural areas, the Rust Belt.

Trump Country Is Propane Country

The propane industry has an opportunity to work with the Trump administration to forge an innovative legislative and regulatory program that leverages the administration's agenda on tax and infrastructure with the industry's technology priorities. At the same time, the two can work together to forge tax and trade policies that promote and sustain jobs in a constituency critical to Trump's political fortune and the propane industry's economic future.

The propane industry can therefore lay down a marker for short-term and long-term policy success, one that harmonizes propane's agenda with the political alliances Trump offers, wants, and needs with a long-term vision for the industry that reflects these historic Trump Country constituencies and the opportunity that new technology provides, in an evolving economy and an environment of shifting politics.

Joe Colaneri is director, public affairs for Foley & Lardner, a Milwaukee-based national/international law firm located in 17 U.S. cities and foreign countries. Colaneri was previously executive director of the Propane Vehicle Council from 1996-2002.

Workforce Development Program Gaining Momentum

The idea for the formation of the National Propane Gas Association (NPGA) Workforce Development Task Force began last year as NPGA chairman Stuart Weidie embarked on his travels to different state propane gas association meetings. At those gatherings, he heard repeated concerns from propane marketers about their challenges in attracting and retaining quality employees.

Weidie shared those comments with the NPGA executive committee. In response, early this year a task force was formed with the objective of providing propane marketers information on techniques for recruiting, hiring, and "onboarding" new employees or integrating them into the organization.

Jane Stroupe, regional project director for the southern region at AmeriGas (Valley Forge, Pa.), is chair of the task force, and Eric Kuster, director of safety and certification for NPGA, is staff liaison. The task force is still in its infancy. Only several conference calls and an in-person meeting preceded the NPGA Southeastern Conference last month.

"I think there's a recognition that we've got to learn how to talk to and attract the younger generation of potential employees out there. There is probably going to be significant turnover in the next five to 10 years."

—Eric Kuster
National Propane Gas Association

"We have quite a number of people who will be retiring from our industry in five to 10 years, and because of that we're going to be bringing in a lot of newer folks," Kuster said. "I think there's a recognition that we've got to learn how to talk to, and attract the younger generation of potential employees out there. There is probably going to be significant turnover in the next five to 10 years, so how do we attract that younger workforce? I think it's going to be critical for us as an industry to be able to move forward and attract the right workforce employees to keep the industry current."

The issue was front and center at the national show in Nashville, where the task force was to meet again. Also, part of the schedule was a session titled "Recruitment and Development: Attracting New Employees to the Propane Industry," with a focus on various aspects of the recruitment problem.

Alex Gresham, director of human development for Blossman Gas (Ocean Springs, Miss.), was a scheduled presenter at the session, along with Justine Staub, director of workforce development at AmeriGas, and Jim Stein, owner/manager of LP Gas Jobs, a recruiting service for propane companies. Stein's portion of the presentation involved the recruitment aspect, and Staub covered retention of employees.

Gresham's focus was to describe "what we do with them when they get here." He believes the recruitment situation for the propane industry has grown more competitive over the past five to 10 years. He has noticed a shortage of available commercial vehicle drivers applying for positions at his company.

"We're adjusting to that, looking at ways we can partner with trade schools and junior colleges, those that offer commercial driver's license [CDL] training, and we're willing to help a potential employee get trained and get their CDL while learning their job duties if they are the right fit in other categories."

Gresham noted this Southeastern session was designed to offer a way to help propane companies of all sizes learn some methods that have worked in finding and

keeping employees. "We work hard to get them to come to us, so let's make sure we keep them and get them trained and attuned to what we do."

How can companies do that? Gresham said a solid company culture is important, and companies should be supportive of training and professional development. He added that his employer promotes from within and strives to support and educate new people rather than throw them out in the field before they know enough to be successful.

"They do not learn everything they need to know in four weeks. There will still be a lot of ongoing learning year to year. [Our onboarding training] just provides them with more direct learning within the first few weeks of employment."

"We work hard to get them to come to us, so let's make sure we keep them and get them trained and attuned to what we do."

—Alex Gresham
Blossman Gas

The company's new online learning management system (LMS) is an example of that additional early education. Every new Blossman employee takes five initial online courses through the LMS system, including a Propane 101 lesson the company put together that explains aspects such as what propane is and how it is transported.

Once the employees have completed those courses, Blossman puts them through additional sessions based on their specific career path.

"It's a blended learning environment of both e-learning and field training. We do that so they have a better understanding of our field, how we handle gas, how we deliver it, and what it does for the customer," Gresham explained.

Field employees go on to spend a week with a field trainer. That program continues to progress as the trainee shadows the trainer to apply some of the concepts from the computer training to actual exercises out in the field.

Gresham mentioned that his company is testing a mentorship program in which a Blossman employee would serve as a contact for any questions that a new worker might have. "The mentor is there to check on the new person's progress, be a sounding board for questions, and not let them get drawn into other operational demands during their training period."

Moving into the retention aspect of workforce development, Staub of AmeriGas said that getting employees to identify with your company's mission and values helps make them loyal to the business.

"They have to feel like you have their best interest at heart and that you have an interest in them and their career," she said. To help with that, AmeriGas has developed a career advancement program, called the Accelerated Leadership Program. The program encourages field managers to accelerate their careers with the goal of moving up to the director level. The company is looking into similar programs to move field employees into management positions.

AmeriGas' Accelerated Leadership Program helps the company form a bench of people ready to move into leadership positions when vacancies open. It also makes employees feel that there is a path for them to move up.

"You don't have to sit around and hope that someone will recognize you," Staub said. "There is a way you can pursue that next role." The naming of a district safety champion and a growth champion is an additional program for people who simply want to become more involved with the company.

"These are not only ways to develop employees for the benefit of the company, but it really works to make people feel they're in the right place and that they're with a company that cares about their career, cares about their development, and they can see a way forward if they have an interest in that."

"They have to feel like you have their best interest at heart and that you have an interest in them and their career."

—Justine Staub
AmeriGas

Seasonal employees who work primarily in the winter are an important aspect of the retention issue, and AmeriGas uses various methods to bring the top seasonal workers back year after year. They are valuable because they are trained and ready to come back and be productive.

AmeriGas keeps in touch with them throughout the summer, trying not to let six months pass without making contact. The company sends its newsletter to the

seasonal employees, and the local manager might invite them to their district's picnic.

"If we have CETP [Certified Employee Training Program] training, we might invite them, so we use a variety of different mechanisms to stay in touch with those folks and offer a return bonus if they come back the second or third year," Staub said.

In the area of recruiting, according to Stein of LP Gas Jobs, marketers want to hire people from within the propane profession, but with many propane workers nearing retirement, the industry has not done the best job promoting itself to the younger generation.

"Therein lies somewhat of a shortfall for attracting qualified people to our industry, specifically drivers and service techs. They are the heartbeat of this industry."

Stein, who started out as a bobtail driver for CalGas and continued with AmeriGas for 25 years after it acquired CalGas, said that one of the most frustrating things that he hears from prospective employees applying for positions is that they do not hear back from propane companies after submitting an application. And if they do hear back, typically several weeks later, they have already found another job. Timing is critical, and if you don't touch base with prospective applicants within a few days, you're probably too late.

"We're relying too much on, 'Just find me a guy who comes from the industry.' Well, hey, we all had to start somewhere."

—Jim Stein
LP Gas Jobs

He would like to see the industry hold more discussions on how to make the profession more "attractive, cool, and exciting" to the younger generation.

"I don't have a magic answer for that, but we're relying too much on, 'Just find me a guy who comes from the industry.' Well, hey, we all had to start somewhere. The days of getting your mailbox filled with people applying are over. Why, I don't know."

Stein would also like to see a discussion on wages. He believes the propane industry pays competitive wages in some areas of the country and is less competitive in others. Employees have also told him that they did not receive enough training for their position. Growth opportunity is yet another area of concern he has heard about from prospective employees.

"Companies need to be serious about training and not so much just looking for that next guy where they could just stick him in the truck with the old, 'hit the ground running' adage," Stein stressed. "That's OK to a point, but there is some drawback to not providing good quality training to folks who get hired. If they don't [receive the training], then we continue to limit ourselves as an industry in bringing folks from outside."

Task force chair Stroupe echoed the issue of the propane industry's aging workforce and the need to fill those positions when those longtime employees retire.

"Hopefully we're going to be able to retire at some point in the near future, and we don't really have people to backfill these positions or to fill the positions that are going to become available because people are retiring or leaving the industry. Our goals are to come up with deliverables to give the membership ways to recruit, train, and retain qualified employees. There is a shortage of CDL drivers, so not only does our project target drivers and service techs, but we're looking at recruiting manager-level employees, too. Whether we recommend a recruiting company or some of the online websites, there's just an array of tools we're exploring," Stroupe said.

"We don't really have people to backfill these positions or to fill the positions that are going to become available because people are retiring or leaving the industry."

—Jane Stroupe
AmeriGas

At the Southeastern meeting in April, the task force planned to discuss "deliverables" that could help marketers meet goals to recruit, train, and retain qualified employees. Kuster said that strategic partnerships with returning military veterans and other groups was one of those possible deliverables.

"Also, how do we leverage part-time or seasonal drivers that may be working for another company? We have also talked about CSRs, service techs, and management personnel and how we onboard them and how we retain those good quality employees," Kuster added. "There are a lot of good concepts. Now we're moving toward implementation and deliverables, and that's our next step."

—Daryl Lubinsky

Maintaining a Heavy Workload... And Still Learning the Ropes

Natalie Hall has only been with the family propane business, Como Oil and Propane (Palm City, Fla.), for about a year and a half, but she has already taken on a heavy marketing, operations, and back-office workload with the company.

She is the project manager for the business' conversion from an older software system to a new program and is leading the marketing operations including the website, advertising, and social media, all while still learning the ropes of the business. "When I first started here, I bounced around, trying to get my hands dirty, going out on delivery trucks, going out with service techs, and trying to learn all aspects of the business," she said. "I also worked with the sales team to improve their processes through technology. Also, I work on business development and creating strategic partnerships. In addition, I head up recruiting for the company."

Propane People

Expanding its reach is one of the latest goals for Como Oil and Propane, which was formerly the same company as the Como Oil and Propane in Duluth, Minn. that ThompsonGas acquired in 2015. Hall's grandfather, Myles Hall, started the Duluth Como Oil in the 1940s and expanded the operation to Florida in 1967. Her father, Robert Hall, runs Como Oil and Propane, but he is looking to retire soon, so Natalie Hall is working hard to catch up. Robert Hall was president of Como in Minnesota and Florida until he sold Como Minnesota. After Myles Hall died in the early 1990s, Robert bought out his siblings and has been sole owner since then.

Natalie Hall and her family are working on the latest expansion of the business, and Hall's work in creating partnerships has played a strong role. They officially opened Como Keys in the Florida Keys in March, and the new business made its first fuel delivery in early April and will soon make its first propane delivery. "It's a separate entity, a joint venture. We have business partners who are local to the Keys and have been there 40 years."

On the recruiting end, Hall is active in conducting initial interviews and prospecting potential new employees. As emphasized in the Workforce Development Task Force article in this issue of ***BPN***, she notes that finding qualified people has been a challenge. Specifically for Hall, that means finding someone with industry knowledge who is not already with another company, especially on the service side.

She and other leaders at the company have hired some people who do not come from the propane industry but who Hall says have knowledge that is complementary to the Como business. One of the new hires previously owned a construction company and has worked for some of the major contractors in the area.

The new hire will help with Como's goal of targeting high-end residential customers in the area. The company works with contractors on new homes and on renovations of current homes to reach residential propane customers.

"Propane is more of a luxury item than a necessity like in other parts of the country, which need propane or fuel-oil to heat their home," Hall said. "We gain a lot of our residential business through strategic relationships, which are prodominantly contractors, so we decided to think outside the box when it came to recruiting for this position. [The new hire] knows how to communicate to contractors, he speaks their language, and knows what they're looking for from vendors like us. We're willing to train people and teach them the industry knowledge they need to be successful, which is a different approach than just focusing on 'I need to find someone who has five years of experience in the propane industry.' We're trying to look at it from a different angle and see how successful we are with that approach."

She is also taking an active role with the company's website, digital marketing, and advertising. Revamping the website was her main project when she first came on board. Then came digital marketing and advertising. She has focused on using the appliances Como sells in its showrooms as a way to grab customers' attention and increase current customers' use.

But she felt she was unable to give adequate attention to social media and other digital marketing activities, so in March she hired a digital marketing company to take the lead on social media, the website, pay-per-click advertising, and search engine optimization. With that taken off her plate, she could focus on branding and direct marketing campaigns, which target current and new customers. Her focus is to grow in Palm Beach County and the Florida Keys.

She sounds well-versed on the marketing needs for her business, but because of her short time in the industry, she wanted to gain more overall industry knowledge. So she recently joined the mentor program of NPGA's Women in Propane Council as a "mentee." She hoped to be set up with a mentor around the time of the NPGA Southeastern Conference.

"Since I have only been in the industry a year and a half, I wanted to accelerate the learning curve, and I thought the mentor/mentee program would be a great avenue to do that."

— Daryl Lubinsky

A Man on a Mission

Sam Fox, director of propane sales at McCraw Oil (Bonham, Texas), is larger than life. Fiercely loyal, easy-going, solid, likeable, professional, dedicated, a warrior, a creative thinker, a hoot, a mentor, an expert…always willing to help. These descriptions are just a few (that were suitable to print) coming from colleagues, friends, his boss, fellow committee members, and even the chairman of the National Propane Gas Association (NPGA). But don't think this is a eulogy of some sort. Far from it—Fox is just getting started.

Propane People

He has worked for both large and small industry companies over the last several decades, beginning with his family business, Penny's Gas in Kaufman, Texas. "I am proud to be a third-generation propane marketer. I was with my family company from 1988 through 2000 and loved learning the business from my dad, Ronnie Fox. The company was bought in 1997 by Independent Propane, and a few years later I left to join Progas, which was later acquired by Heritage," said Fox. "All of my experiences at companies like Heritage, AmeriGas, and Pinnacle provided unique opportunities to grow and experience different segments of the industry."

Fox has been with McCraw since December 2015, and he knew well before then that this was an ideal company for him. "I had competed against them, worked on [Texas Propane Gas Association] committees with them, and have always had great respect for their people. When I had the opportunity to join their team, I jumped at the chance.

My current role is director of propane sales. My responsibilities are so varied, and I love that. Whether my day is spent supporting my team members, doing a presentation for a potential fleet customer, or helping train landscape equipment dealers on propane conversions—every day is spent doing what I love. My primary goals are to grow the propane business and to always deliver on our promises. If you get the second part right, the first part happens naturally."

McCraw Oil is a multistate marketer with multiple business segments such as fuel transport, C-stores, farm and ranch diesel delivery, and of course, Fox's favorite, propane. "One of our greatest strengths is our team members. We do a better job than any company I know of when it comes to hiring great people. We value our people, invest in them, and they stay with us. From top to bottom, our organization is made of people that care about the company, each other, and our customers. Our company motto is 'Leave 'em better.' Our mission is to leave our employees, customers, and community better off for having known us."

According to Stuart Weidie, NPGA chairman and president of Blossman Gas, "Sam is a creative thinker and has a strong desire to grow customers that use propane." New markets are imperative for consistent cash flow, according to Fox—especially in Texas, where there isn't a lot of cold weather and what they do get is unpredictable. "I am blessed to work for some very smart people that have provided me with tools to be successful in multiple segments. One of my key focuses is autogas. We are a member of Alliance AutoGas and have our own conversion shop. This allows me to control the customer experience from A to Z, and be the solution for my customer. I want to provide a great experience and be confident that the work is performed to the highest standard," Fox notes.

"My advice for entering any new market is to learn everything you can about it. There are great tools for this that are free. Every industry member should take advantage of [the Propane Education & Research Council's] Marketer Technology and Sales Training, and also tap into your state association. These resources are there to help you," Fox continued.

On top of his full-time job, Fox is known for his volunteer efforts and giving back to the industry. "My previous job involved extensive travel, and now that I actually have some free time, I want to make sure to use that extra time in a positive way," Fox said. He is a member of CASA (Court Appointed Special Advocate), an organization that advocates for children in Texas' Child Protective Services, and works to get children out of the system and into a family member's home. He is also the treasurer/finance chair of the Texas Propane Gas Association, board member of the Propane Council of Texas, and on the Propane Education & Research Council's Safety and Training Working Group. He is an NPGA Benchmarking Council member and chair of his group, a vice chair for the overall steering committee, and an NPGA Workforce Development Task Force member.

"With McCraw's strong community service focus, I've had great support in my volunteer roles. I am very fortunate to be involved at the state and national level, and I plan to impact each of these roles by providing honest feedback and as much common sense as I can muster to help make our industry a safer, better place—a place where our kids would want to work."

—Rita Pecilunas

New Dynamics for Propane and Crude Will Likely Support Prices

By mid-April, many retail propane marketers were scratching their heads about why prices were steadily increasing. After all, a mild winter had wrapped up weeks earlier, crude oil had backed off during March when U.S. oil production continued to exceed expectations, and propane pulled back with it. As always, many waited and waited for further downside only to see prices take a turn back to the upside.

The major players who put record-level investment dollars into crude oil after the OPEC cuts were agreed to in late November were not budging much as prices declined in March. The basic belief among major investors such as Goldman Sachs, Bank of America, Morgan Stanley, and Citibank was that the OPEC cuts were real. Asian demand is, and will continue to be, strong, and the market is ultimately tightening. Large builds of crude oil during March, including an 8.2-MMbbl build during a gathering of world oil representatives for CERA Week in Houston, did cause some short positions to enter the market. Despite all the talk of compliance to the OPEC cuts in Houston, crude oil moved below $50/bbl that week. Many thought it was only a matter of time before the bottom fell out and pushed prices even lower. By mid-April, however, prices were moving back up amid U.S. military action in Syria, interruptions to Libyan output, and optimism that OPEC would extend production cuts for another six months.

Meanwhile, on the propane side, it was hoped that with the winter heating season over, demand and prices would back off as the build season got under way. There was concern, though. Despite a mild winter the strong 59-MMbbl draw that occurred far surpassed a projected 40.6-MMbbl draw, and that had everyone's attention. The week ended April 7, Energy Information Administration (EIA) data showed primary propane inventories at 40.4 MMbbl, a full 27.3M barrels below year-ago levels. With build season supposed to be getting started, we were still seeing draws. That week showed a draw of 1.2 MMbbl. There was a draw of 1.3 MMbbl in the Gulf Coast and small draws in the Midwest and on the East Coast, but these were offset by a 400,000-bbl build in the West. Exports were still pegged at 900,000 bbld, just shy of the 1 MMbbld that had been commonplace during the winter of 2016-2017.

For propane, the inventory decline during the latest mild winter showed the impact of dramatically increased exports. The draw took propane from an inventory 29 MMbbl above the five-year average for the beginning of heating season to a level 6.7 MMbbl below the end-of-season five-year average. The draw was 25 MMbbl larger than during the winter of 2015-2016 and 19 MMbbl higher than in 2013-2014—the winter when crop drying, cold weather, and infrastructure challenges created the perfect storm and caused extreme shortages and price spikes during January and February 2014.

As we now enter the build season, a similar scenario to last year will take us to just shy of 80 MMbbl rather than the 100 MMbbl we still had in late November 2016. Considering the ever-improving infrastructure for exports, more very large gas carriers, and more efficient routes to Asia with its stronger demand and the newly widened Panama Canal, exports will likely only increase. Demand for propane is expected to rise during 2017 in countries like China, India, and South Korea. Seaborne LPG exports were up 5% from 2015 to 2016 and demand from China is expected to grow 10%.

Some may look to the global crude oil supply surplus and hope that oil prices will ultimately collapse and bring propane prices down with them. As of late April, though, with OPEC members signaling they would be extending production cuts another six months and with continued compliance with existing cuts, traders are becoming more confident that prices will continue to steadily rise. In its monthly crude oil report for April, the International Energy Agency (IEA) made the case that supply and demand are coming more and more into balance once again.

Furthermore, IEA revised its five-year oil market forecast and said the crude market risks sharp increases in prices around 2020. The agency is concerned supply will struggle to keep up with demand. While IEA expects the global situation to remain comfortable for the next three years, it says supply growth slows down significantly after that. Forecast is a tight oil market with spare capacity at a 14-year low in 2022.

While crude oil supply is expected to grow in the U.S., Canada, Brazil, and other countries, the growth is expected to slow down by 2020—if the record slump in investment seen over 2015 and 2016 continues. In the U.S. investment in shale plays is growing, but global spending does not appear to be rising. Worldwide, we saw a decline of one quarter of global spending in 2015 and another one quarter decline in 2016. A few mar-

WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2013	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
OECD DEMAND																	
Americas	24.2	24.2	24.5	24.4	25.0	24.5	24.6	24.5	24.4	25.0	24.8	24.7	24.4	24.5	25.0	24.8	24.7
Europe	13.6	13.5	13.5	13.6	14.2	13.7	13.7	13.6	13.9	14.4	14.2	14.1	13.8	14.1	14.4	14.0	14.1
Asia Oceania	8.3	8.1	8.7	7.6	7.7	8.2	8.0	8.5	7.6	7.8	8.3	8.1	8.5	7.6	7.7	8.2	8.0
Total OECD	46.1	45.8	46.6	45.6	46.9	46.5	46.4	46.7	46.0	47.2	47.3	46.8	46.7	46.2	47.1	47.1	46.8
NON-OECD DEMAND																	
FSU	4.5	4.7	4.4	4.6	4.8	4.7	4.6	4.7	4.6	4.9	5.0	4.8	4.8	4.8	5.1	5.1	4.9
Europe	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
China	10.4	10.8	11.3	11.6	11.6	11.7	11.5	11.7	12.1	11.7	12.0	11.9	12.0	12.2	12.2	12.5	12.2
Other Asia	11.7	12.0	12.3	12.6	12.3	12.8	12.5	13.1	13.1	12.8	13.5	13.1	13.5	13.7	13.5	14.1	13.7
Americas	6.6	6.8	6.6	6.8	6.9	6.8	6.8	6.5	6.7	6.8	6.7	6.6	6.5	6.6	6.8	6.8	6.7
Middle East	8.0	8.4	7.9	8.6	8.9	8.4	8.4	8.0	8.5	8.9	8.4	8.5	8.2	8.6	9.0	8.6	8.6
Africa	3.8	3.8	4.1	4.1	4.0	4.1	4.1	4.2	4.2	4.1	4.2	4.2	4.3	4.3	4.2	4.4	4.3
Total Non-OECD	45.6	47.2	47.2	48.9	49.1	49.2	48.6	48.8	49.9	49.9	50.6	49.8	50.0	51.1	51.5	52.2	51.2
Total Demand[1]	**91.7**	**93.0**	**93.8**	**94.4**	**96.0**	**95.7**	**95.0**	**95.4**	**95.9**	**97.1**	**97.9**	**96.6**	**96.7**	**97.3**	**98.6**	**99.2**	**98.0**
OECD SUPPLY																	
Americas[4]	17.2	19.1	20.1	19.7	20.1	20.1	20.0	19.9	19.0	19.3	19.6	19.5	19.6	19.6	19.9	20.0	19.8
Europe	3.3	3.3	3.4	3.5	3.4	3.6	3.5	3.6	3.4	3.3	3.6	3.5	3.6	3.5	3.3	3.5	3.5
Asia Oceania	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	21.0	22.9	23.9	23.6	24.0	24.2	23.9	24.0	22.8	23.1	23.7	23.4	23.6	23.5	23.6	24.0	23.7
NON-OECD SUPPLY																	
FSU	13.8	13.9	14.1	14.0	13.9	14.1	14.0	14.3	14.0	14.0	14.5	14.2	14.4	14.3	14.3	14.5	14.4
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	4.2	4.2	4.3	4.4	4.3	4.3	4.3	4.2	4.1	3.9	3.9	4.0	3.9	3.9	3.8	3.8	3.8
Other Asia[2]	3.5	3.5	3.6	3.6	3.5	3.6	3.6	3.6	3.6	3.5	3.6	3.6	3.5	3.5	3.5	3.5	3.5
Americas[2,4]	4.2	4.4	4.6	4.6	4.6	4.6	4.6	4.4	4.4	4.6	4.6	4.5	4.6	4.6	4.7	4.7	4.7
Middle East	1.4	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2
Africa[2]	2.0	2.1	2.1	2.1	2.1	2.0	2.1	2.0	1.9	1.9	2.0	1.9	1.9	1.9	1.9	1.9	1.9
Total Non-OECD	29.3	29.6	30.2	30.0	29.8	30.0	30.0	29.8	29.4	29.4	30.0	29.6	29.8	29.6	29.6	29.7	29.6
Processing gains[3]	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Global Biofuels	2.1	2.2	1.8	2.4	2.6	2.4	2.3	1.9	2.5	2.7	2.3	2.4	2.0	2.5	2.8	2.5	2.4
Total Non-OPEC Supply	54.5	57.0	58.1	58.2	58.6	58.8	58.5	58.0	57.0	57.4	58.3	57.7	57.7	57.8	58.3	58.4	58.1
OPEC																	
Crude	30.6	30.5	30.8	31.8	32.1	32.0	31.7	32.1	32.4	32.8	33.2	32.6					
NGLs	6.1	6.3	6.4	6.5	6.5	6.6	6.5	6.5	6.7	6.8	6.8	6.7	6.7	6.8	6.9	6.9	6.8
Total OPEC	36.7	36.8	37.1	38.2	38.6	38.6	38.1	38.7	39.0	39.5	40.0	39.3					
Total Supply[4]	**91.2**	**93.7**	**95.3**	**96.4**	**97.2**	**97.4**	**96.6**	**96.7**	**96.0**	**97.0**	**98.3**	**97.0**					
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.2	0.4	0.9	1.0	0.8	0.3	0.8	0.3	0.4	0.1	-0.8	0.0					
Government	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0					
Total	-0.2	0.4	0.9	1.0	0.8	0.4	0.8	0.4	0.4	0.1	-0.8	0.0					
Floating storage/Oil in transit	0.1	0.0	0.4	0.4	-0.2	0.5	0.3	0.2	0.3	-0.2	0.2	0.1					
Miscellaneous to balance[5]	-0.5	0.4	0.1	0.6	0.6	0.8	0.5	0.6	-0.7	-0.1	1.0	0.2					
Total Stock Ch. & Misc	**-0.5**	**0.7**	**1.4**	**2.0**	**1.3**	**1.7**	**1.6**	**1.2**	**0.1**	**-0.1**	**0.4**	**0.4**					
Memo items:																	
Call on OPEC crude + Stock ch.[6]	31.1	29.7	29.3	29.8	30.8	30.3	30.0	30.9	32.3	32.9	32.9	32.3	32.3	32.7	33.4	33.9	33.1

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply. Includes Biofuels.
2 Other Asia includes Indonesia throughout. Latin America excludes Ecuador throughout. Africa excludes Angola and Gabon throughout.
3 Net volumetric gains and losses in the refining process and marine transportation losses.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.
5 Includes changes in non-reported stocks in OECD and non-OECD areas.
6 Equals the arithmetic difference between total demand minus total non-OPEC supply minus OPEC NGLs.

Source: IEA

ginal increases are expected in 2017, however.

Meanwhile, oil demand is on track to rise in the next five years, passing 100 MMbbld in 2019 and reaching 104 MMbbld by 2022. All of the growth is expected in developing countries, with nations in Asia representing 70% of the growth. China and India alone would represent 46%. The expected global demand increase represents a net 7.3 MMbbld gain between 2016 and 2022. The transport sector, whether by road, water, or air, is expected to account for half of the global growth.

IEA suggests that the U.S. likely represents the largest

(Continued on p. 43)

Shale Revolution Changes Everything in Northeast

The U.S. shale revolution has driven a need for increased infrastructure in areas where there was neither extensive crude oil nor natural gas production previously, observes Ajey Chandra, vice president of the global energy consulting firm Muse, Stancil & Co. (Dallas). The Northeast, namely, was historically a region that imported natural gas from producing regions—the Gulf of Mexico, Texas, and Louisiana. But exponential increases in Marcellus and Utica natural gas and natural gas liquids production drove a need for large infrastructure projects.

And even with the downturn in crude oil prices since 2014, U.S. natural gas production has continued to increase. Forecasts call for output to rise above 30 Tcf in 2020 and reach 40 Tcf in 2035. At the same time, Marcellus gas production has proven to be extremely resilient and has not been significantly affected by the downturn in crude oil prices. Production has now grown to more than 18 MMcfd.

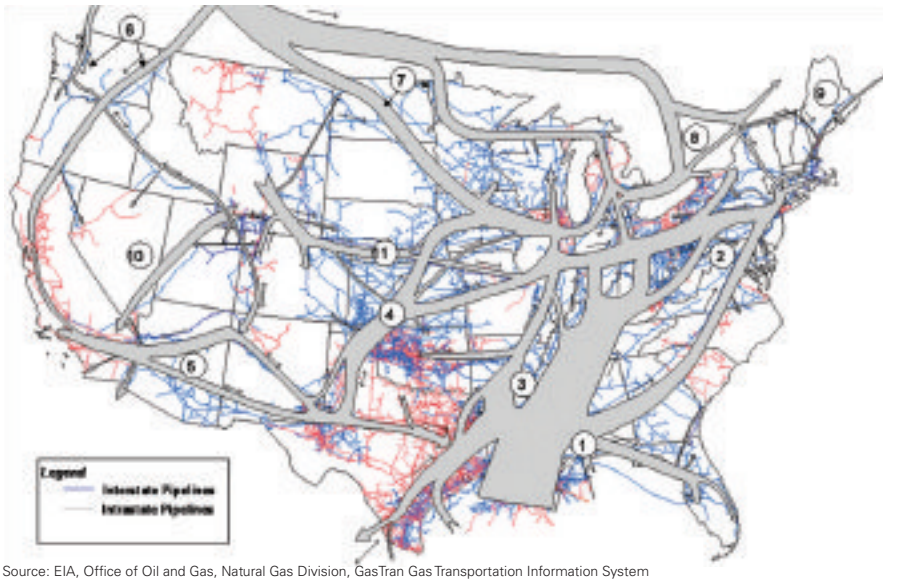
"In 2008, pipelines were focused on taking gas from the Texas/Louisiana producing region to the consumption centers in the Northeast U.S.," says Chandra, speaking at the 2017 Argus Americas LPG Summit in Houston. "Pipeline capacity has now become focused on taking natural gas away from the Northeast and moving it in the reverse direction. LNG export capacity is being built on the Gulf Coast." He adds that from the 1950s to 2016 gas could flow in only one direction—south to north. However, beginning this year most trunk lines will also flow in the opposite direction—north to south.

Natural gas takeaway capacity continues to grow, supporting production of both dry gas and NGLs. Chandra outlines that Energy Transfer Partners' (Dallas) Rover Pipeline is scheduled to be in service this year, as is the Leach Xpress line, now a project of TransCanada Corp. (Calgary) since its acquisition of Columbia Pipeline Group in July 2016. Also scheduled to come online in 2017 is the Nexus Gas Transmission project, initially an initiative of DTE Energy (Detroit) and Spectra Energy (Houston), it now headed by Calgary-based Enbridge Inc., which acquired Spectra earlier this year. On tap for 2018 are Williams Cos.' Atlantic Sunrise project, the PennEast Pipeline joint venture, and the Valley Mountain Pipeline, another joint venture. The Atlantic Coast Pipeline, yet one more joint venture initiative, is scheduled to be operational in 2019. However, activist opposition to new pipeline construction is growing and becoming more of an issue. As a result, Chandra observes, delays can be expected, adding that "NIMBY is alive and well."

The Rover Pipeline will transport 3.25 Bcfd to markets in the Midwest, Northeast, East Coast, Gulf Coast, and Canada. The line will have direct deliveries in Ohio, West Virginia, Michigan, and into the Dawn Hub in Ontario, Canada. The $4.2-billion pipeline will gather gas from processing plants in West Virginia, eastern Ohio, and western Pennsylvania for delivery to the Midwest Hub near Defiance, Ohio, where about 68% of the gas will be delivered via interconnects with existing pipelines in Ohio and West Virginia for distribution to markets across the U.S. The remaining 32% will be delivered to markets in Michigan through a connection in Livingston County, Mich. with the existing Vector Pipeline.

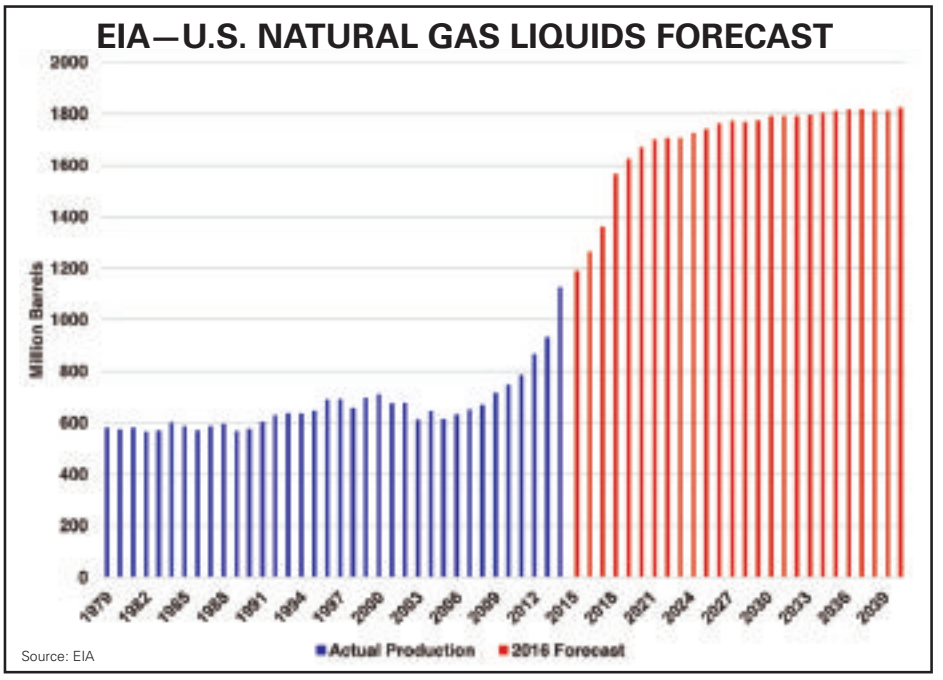
The Leach Xpress project involves construction of about 160 miles of natural gas pipeline and compression facilities in southeastern Ohio and West Virginia's northern panhandle. The $1.4-billion investment will transport 1.5 Bcfd of natural gas from the heart of the Appalachian supply basin to consumers served by the Columbia Gas

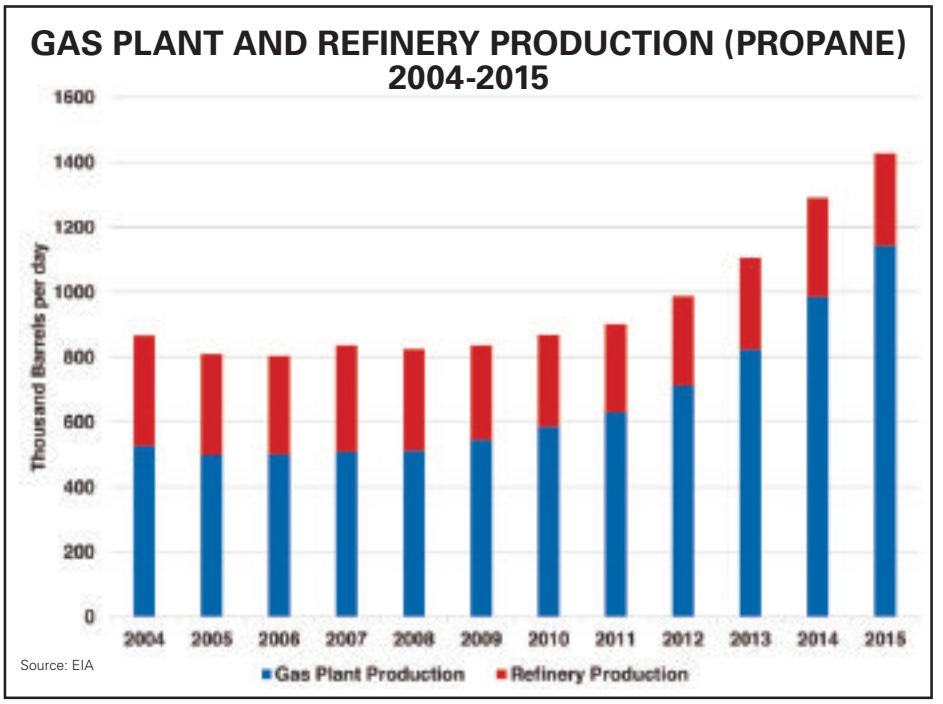
MAJOR U.S. NATURAL GAS TRANSPORTATION CORRIDORS 2008



Source: EIA, Office of Oil and Gas, Natural Gas Division, GasTran Gas Transportation Information System

Maps, charts courtesy Muse, Stancil & Co.





and Columbia Gulf pipeline systems. The line will originate in Marshall County, W.Va. and travel through southwestern Pennsylvania and southeastern Ohio and end in Wayne County, W.Va.

The Nexus Gas Transmission project will construct about 255 miles of interstate pipeline to deliver 1.5 Bcfd to recipient points in eastern Ohio to existing pipeline system interconnects in southeastern Michigan. The developers have secured significant market interest in new natural gas supplies in Ohio, Michigan, Chicago, and Ontario to provide increased energy diversity, security, and reliability in those regions. The project will transport emerging Appalachian shale gas supplies directly to consumers in northern Ohio, southeastern Michigan, the Chicago Hub, and the Dawn Hub.

The Atlantic Sunrise project is designed to supply gas to meet the daily needs of more than seven million homes by connecting producing regions in northeastern Pennsylvania to markets in the Mid-Atlantic and southeastern states. The expansion will add 1.7 million dekatherms per day of pipeline capacity to Williams' Transco system. The project will include compression and looping of the Transco Leidy Line in Pennsylvania along with the construction of a new pipeline segment, referred to as the Central Penn Line, which will connect to the northeastern Marcellus producing region and to the Transco mainline in southeastern Pennsylvania. Additional existing Transco facilities are being modified to allow gas to flow bi-directionally.

The PennEast Pipeline will bring natural gas to customers in Pennsylvania and New Jersey. The $1-billion investment will construct a 118-mile, primarily 26-in.-dia. pipeline designed to deliver about 1 Bcfd, enough to serve more than 4.7 million homes. PennEast will originate in Luzerne County in northeastern Pennsylvania and terminate at Transco's pipeline interconnection near Pennington in Mercer County, N.J. The line will supply natural gas to local businesses and households, as well as to electric generation companies.

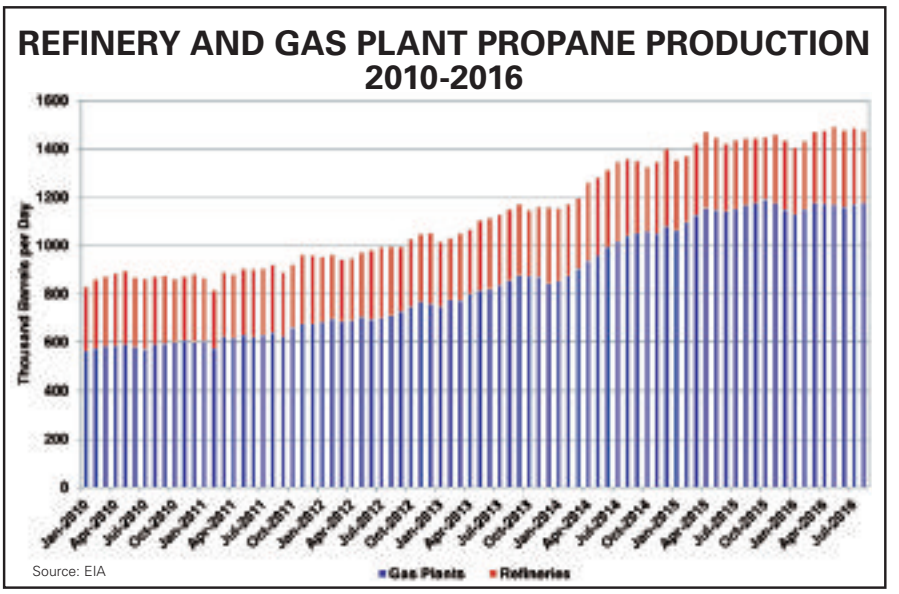
The project got a boost in March when a federal court judge dismissed as baseless a lawsuit brought by the environmental group Delaware Riverkeeper Network, which sought to derail PennEast by suing the Federal Energy Regulatory Commission (FERC). "The Delaware Riverkeeper Network is an organization that stops at nothing to spread misinformation, scare the public, and file ridiculous lawsuits, as validated by a federal court judge who dismissed the lawsuit that was filed last year," said Pat Kornick, PennEast spokesman. "This is the latest example of opposition groups wasting time, tax dollars, and government resources with baseless claims and ridiculous lawsuits." The lawsuit alleged that permit fees paid to FERC by applicants for energy infrastructure created an institutional bias.

Last year a separate lawsuit filed by opposition groups alleging trespassing also was dismissed by a New Jersey Superior Court judge after she found no evidence of their claims. In September, the Eastern Environmental Law Center, the New Jersey Conservation Foundation, and the Stony Brook-Millstone Watershed Association filed another frivolous complaint, requesting an "evidentiary hearing" of market need, which is duplicative and covered by FERC's multiyear review. Even the New Jersey Sierra Club objected to their

actions and said the "suit could easily be dismissed."

"Despite scare tactics from opposition groups, the reality is that two government agencies under Democratic administrations have determined that the PennEast Pipeline can be constructed with minimal impact on the environment," said Kornick. "PennEast looks forward to a favorable environmental ruling…and delivering lower electric and gas bills, creating thousands of American jobs and powering the region's economy with clean-burning, American energy for decades to come."

The project received its final environmental impact statement from FERC in early April. With mitigation measures in place, the agency gave the go-ahead, noting that based on its analysis, "we conclude that the project would not significantly impact groundwater, surface water, or wetland quality or quantity during construction or operation…."



The Mountain Valley Pipeline project, as proposed, would run about 300 miles from northwestern West Virginia to southern Virginia. The joint venture initiative would be constructed and owned by Mountain Valley Pipeline LLC. EQT Midstream Partners, which owns a significant stake in the joint venture, will operate the line. Sourcing natural gas from Marcellus and Utica production, the pipeline is expected to provide up to two million dekatherms per day of firm transmission capacity to markets in the mid-Atlantic and south-Atlantic regions.

Mountain Valley will extend the Equitrans transmission system in Wetzel County, W.Va. to Transcontinental Gas Pipeline Co.'s Zone 5 compressor station 165 in Pittsylvania County, Va. As currently planned, the pipeline will be up to 42 inches in diameter. The project will require three compressor stations, with locations identified in Wetzel, Braxton, and Fayette counties in West Virginia.

The Atlantic Coast Pipeline would serve multiple public utilities and their growing energy needs in Virginia and North Carolina. Atlantic, a company formed by four major reginal energy companies, Dominion, Duke Energy, Piedmont Natural Gas, and South Company Gas, would develop, construct, and operate the pipeline. The route through West Virginia will begin in Harrison County and travel southeast about 100 miles through five counties before crossing into Virginia. The route through Virginia will begin in Highland County and move southeast, including lateral lines to Brunswick County, Greensville County, and Hampton Roads. The line will travel about 300 miles through 14 counties and then cross into North Carolina.

The route through North Carolina will begin in Northampton County and move southwest about 200 miles through eight counties before ending in Robeson County in the southern end of the state. Construction is expected to create thousands of jobs and significant new, long-term revenue for state and local governments throughout West Virginia, Virginia, and North Carolina.

NGLs

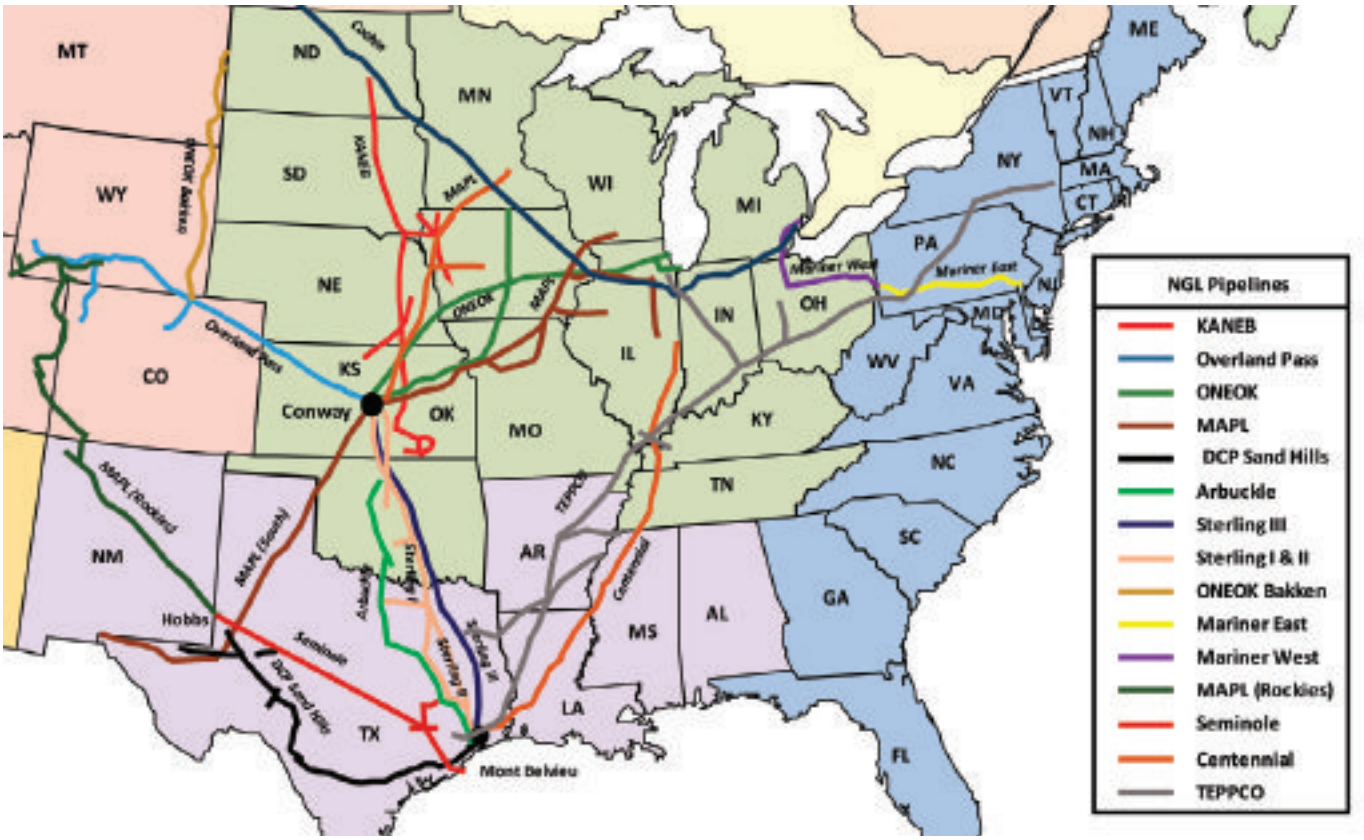
Chandra emphasized that increases in natural gas production, and the resulting infrastructure buildout, have in turn driven a steep rise in NGL production. In other words, more natural gas equals additional natural gas liquids. "U.S. propane production has increased, most notably from gas processing plants," he said. "Refinery production has increased slightly as lighter shale crude is processed." Meanwhile, domestic propane production continues to grow, and even the price downturn has not forced propane output to drop. "Decreased drilling has slowed the overall production increases, but recent support of crude oil prices will likely result in some additional drilling and production." At the same time, U.S. butane production has also risen.

To support booming energy production in the U.S. Northeast, processing infrastructure has grown rapidly. "In 2016, total processing capacity in the region was over 11 Bcfd," the Muse Stancil & Co. vice president says. "NGL pipeline takeaway capacity was needed to match growing processing capacity." And overall NGL distribution infrastructure continues to expand. Chandra outlines that the Mariner West pipeline was built to move ethane from the Marcellus to Sarnia for petrochemical consumption, while Mariner East was built to move ethane and propane to the East Coast for export to Europe.

Hand in hand with ramped up NGL production, U.S. exports from the Northeast are growing substantially as U.S. producers seek new markets in order to clear the output overhang. Simultaneously, expansion of the Mariner NGL pipeline system proceeds apace, ethane exports have commenced from the East Coast, and propane exports from the region will continue to grow over time since it is more economical than transporting product to the U.S. Gulf Coast.

Chandra recounts that the first ethane shipment from Marcus Hook, Pa. was in the first quarter of 2016, and that Sunoco Logistics' Marcus Hook Industrial Complex includes terminalling and storage assets, with a capacity of about 3 MMbbl of NGL storage capacity. The facility

U.S. NGL DISTRIBUTION INFRASTRUCTURE



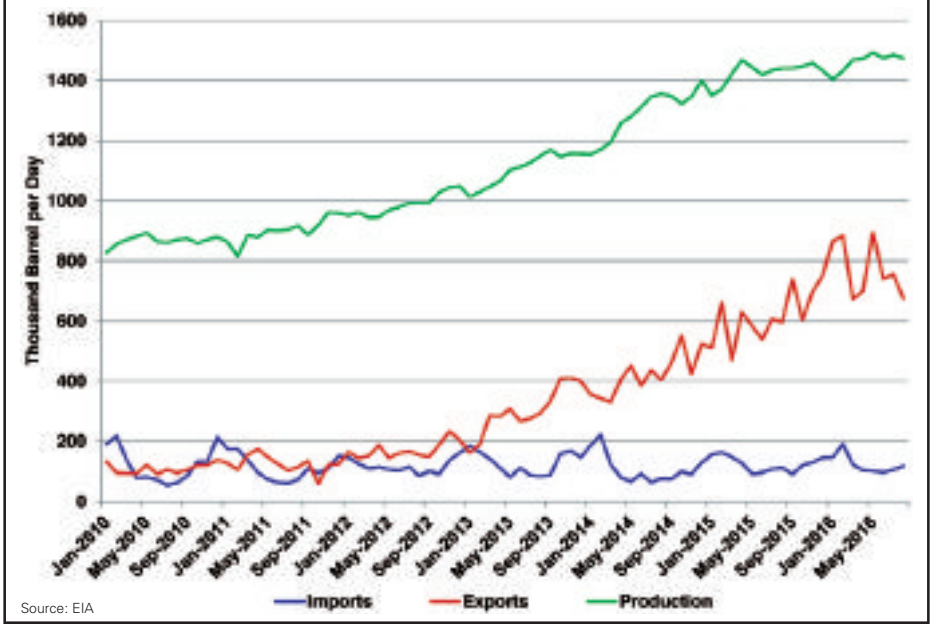
can receive waterborne NGLs, as well as product by pipeline, truck, and rail, and can deliver via marine vessel, pipeline, and truck. In addition to providing NGL storage and terminalling services to both affiliates and third-party customers, the Marcus Hook Industrial Complex serves as an offtake outlet for Sunoco Logistics' Mariner East 1 system. In addition, Mariner East 2 is expected to start up this year, opening the door to the potential to transport 675,000 bbld through Mariner East 1 and 2. More expansions to the systems are expected.

Another transportation project, Enterprise Products' ATEX Express pipeline, began service in 2014 to transport ethane from the Marcellus/Utica to Mont Belvieu. Another takeaway initiative is Kinder Morgan's Utopia Pipeline, planned to take ethane and propane to Sarnia for the petrochemical industry there. Finally, the Bluegrass Pipeline, proposed to take NGLs to the U.S. Gulf Coast, not only faces strong headwinds but may be dead. Kentucky opponents won court victories following their pushback. Project developers Williams and Boardwalk Pipeline Partners lost court battles against landowners opposed to eminent domain. The project also faces sustained and vocal protests from environmental activists and student groups inside and outside the state. Even nuns and priests weighed in against the project.

Nonetheless, and despite vociferous opposition nationwide to energy development of any kind, Chandra concludes that U.S. production of NGLs is expected to grow, even in a low-price environment. "Gas processing capacity in the Northeast has grown to be able to handle gas production, and NGL exports from the East Coast have helped balance the need to transport ethane and propane." Finally, NGL transport capacity still needs to grow further over the next several years.

—John Needham

PROPANE AND PROPYLENE PRODUCTION AND TRADE TRENDS 2010-2016



Source: EIA

Driving Home the Benefits of Propane at the Work Truck Show

Propane continued to make headway as a commercial vehicle fuel, with the added bonus that it's "green," at the 2017 Work Truck Show in Indianapolis in March. Vehicle displays, a session on propane's role in emissions reduction, and an Alliance AutoGas event at which conversion specialists once again performed a live upfit of a 2017 Ford F-250 to propane, drew interest from attendees. The techs completed the demonstration in 1:21.00, beating their F-150 conversion speed at last year's Work Truck Show of 1:32:25 (***BPN***, April 2016, p.62), which Alliance described at the time as the fastest live propane autogas conversion.

Stacey Snyder, conversion specialist from Alliance AutoGas in Asheville, N.C., assisted Kevin Oglesby, conversion specialist from Alliance member Southern Alternatives LLC in Athens, Ga., in the installation of the Alliance AutoGas engineered conversion system.

Ed Hoffman, president of Blossman Services Inc. (Swannanoa, N.C.), manufacturer of record for Alliance AutoGas emissions certifications, served as the emcee for the Alliance upfit event. During the conversion, he provided a running commentary on just what the technicians were doing. As the process was in progress, Hoffman spoke with ***BPN*** and expanded on his comments, explaining that the best way to describe the techs' work at the event is "to follow the fuel."

"This is where we fill the vehicle," Hoffman explained. "We're going to fill the underbody tank, then the system will wait for the signal to be able to use propane. Propane will flow under its own pressure—no pumps, to the front of the vehicle. It's actually a component that Stacey is handling right now, called a reducer. At that component, we're going to heat the propane and turn it from a liquid into a vapor, then do what Stacey just did, which is install the component that will inject propane into the engine. The last piece is our wiring, the controller that's built in to make sure it works properly. That's it. That's the whole system. We take the mystery out of it. Not a lot of stuff is being added here, not a lot of pieces, and not a lot of complexity to this."

The Work Truck Show began with the Green Truck Summit. Keynote speaker Wilfried Achenbach, senior vice president of engineering and technology for Daimler Trucks North America, said the nation is on the path toward autonomous vehicles, "but it won't come overnight. We will need vehicles communicating with other vehicles. We will need high-resolution GPS and better maps."

The Green Truck Summit's host, John Davis, host and creator of the long-time automotive series "Motor Week," noted that at last year's Work Truck Show, the country was in the middle of a period of collapsing oil prices. Then came the recent national election.

"Little did any of us know then that one year later not only are prices still at historic lows or near them, but that a new political broom would sweep into town and with it put in question many regulations that have guided alternative-fuel actions both big and small in recent years."

Davis is optimistic about the future of alternative fuel vehicles, adding that with the commitment of Green Truck Summit and Work Truck Show attendees to a clean driving future, the U.S. could be on the verge of a more open environment for alternative fuels than ever. Ideally, government would no longer pick favorites and let the open market find the best fit for each need.

"Today, there are more viable options than ever to move toward…a future of zero-emission commercial vehicles," Davis said. "This year's Green Truck Summit will provide an international forum of thought leadership on…options and strategies to move toward the goal of zero-emission work trucks."

Propane made a strong play at the Work Truck Show to get a seat at that table. While the Alliance AutoGas conversion event was a major highlight of the show for propane, various propane industry companies made their case for the outstanding reasons to choose propane auto-

gas. One example was Freightliner Custom Chassis Corp. (FCCC; Gaffney, S.C.), which displayed a Freightliner S2G propane cab and chassis.

Bryan Henke, manager, product marketing, at FCCC, spoke with ***BPN*** about its efforts to make inroads into the food truck industry. He noted that his company has spoken to walk-in van company Morgan-Olson, which launched a food truck upfitting program at the Work Truck Show, about using the Freightliner MT-45 and MT-55 6.0L chassis. The chassis would serve the dual purpose of running the engine on propane as well as using the propane for cooking. The MT-45 and MT-55 chassis are long-time walk-in van chassis that are seen on trucks for package delivery companies such as UPS and FedEx. Other uses of the MT-45 and MT-55 chassis include demanding routes such as newspaper delivery, industrial laundry, tool trucks, and utility service.

As an Alliance AutoGas technician performs the conversion of a Ford F-250, Ed Hoffman of Blossman Services Inc., at right in the background, gave a running commentary.

"FCCC is looking to get into the food truck market this way," said Mike Stark, product manager, commercial chassis, for FCCC. "We'll go to a food truck company… and tell them they can run the vehicle on propane and also use it as a cooking fuel. It saves space and money."

Kevin Erb of Ferguson Advertising, which represents FCCC, noted that FCCC's work in the food truck area is in its infancy, but ideally the company would manufacture a simple mechanism through which the cooking tank could draw propane from the outside fuel tank. However, the mechanism would keep a separation between the fuel tank and cooking tank as opposed to pulling directly from the fuel tank. "So if you are cooking, and the truck is not running, you can shut off the fuel source and maintain a separation between the fuel source and cooking fuel at that time so you're not just pulling directly from it."

Stark added that FCCC is focusing on six applications for the S2G: propane bobtail; box truck; flat-bed truck; crane; beverage body; and "rollback wrecker," a flat-bed tow truck.

He elaborated on FCCC's update of its 24/7 service initiative in which drivers can speak to knowledgeable service representatives anytime they have a service issue with one of their vehicles. Those who answer the phone "are all tenured individuals who know the product. They're graded on their performance in call-back time, hold time, and dropped calls. We talk every morning in our 8:30 a.m. production meeting to see if we met our goals for service." He added that the hold time for FCCC's (800) FTL-HELP line averages about 90 seconds. The 24/7 service includes an app that users can download.

"Training is a big deal for us," Stark said. "When a truck comes in, we make sure the dealer is trained. A bad customer experience doesn't help us with promoting the product."

Tucker Perkins, COO for the Propane Education & Research Council (PERC), gave a presentation titled, "Propane Autogas: A Viable Economic Solution for Emissions Reduction." He pointed out that propane autogas is doing well in the areas of economics and emissions.

During his talk, he displayed a graphic from PERC showing that propane's greenhouse gas emission profile in light-duty vehicles is 14% better than gasoline, and that NO_x emissions in light-duty vehicles are 57% better than diesel. For medium-duty vehicles, propane's profile for greenhouse gas emissions is 27% better than gasoline and its NO_x emissions profile is 31% better than gasoline and 18% better than diesel.

"I tend to say, a lot of diesel is pretty clean, but it's clean because it has a very complex after-treatment," Perkins explained. "Propane is clean because propane is inherently clean."

Perkins provided a video interview with Bill Spraul, COO for the San Diego Metropolitan Transit System, who revealed the entity will soon have more than 70 propane buses in its fleet. "The vehicles perform almost exactly like our other technologies," Spraul said.

Stuart Weidie, president of Alliance AutoGas and president and CEO of Blossman Gas, echoed Perkins' enthusiasm about propane autogas and talked about the truck that Alliance used at its live conversion demonstration at last year's Work Show. Following that event, the same vehicle took part in the Alliance AutoGas Clean Air Coast-to-Coast Ride, traveling 5300 miles from Kansas City, Kan., to Portland, Ore., then to Jacksonville, Fla. and finally Asheville, N.C.

Weidie told attendees that the truck from that ride has been in continuous use, serving an Alliance salesman, ever since last year's event. "It made the coast-to-coast trip, then immediately went into service, and has been in service since then over the last year with no maintenance on it."

He added, "Last year, the theme was, 'We can do this quickly,' and some people thought, 'Well, there is something wrong with it if you did it that fast.' What we want to demonstrate is when we do a plug-and-play system, the installation is reliable, but it's durable and very little maintenance is required. That's sort of the theme this year. We want to demonstrate the robust, reliable, and durable nature of our system and its installation, our aftermarket conversion."

Hoffman of Blossman Services Inc. also had a message for propane marketers: They have no reason to buy a diesel vehicle. "This is available to every marketer in the country. We have special pricing for the industry. There are really no excuses. Use your own fuel."

—Daryl Lubinsky

Alliance Now Helps Marketers 'Practice What We Preach'

In 2009, Blossman Gas led the formation of Alliance AutoGas (Asheville, N.C.), a national consortium of propane marketers, equipment providers, and certified conversion centers, to help companies add propane-fueled vehicles to their fleets. In late 2016, a new program was initiated to make its services available to all propane marketers who want to run their service and delivery vehicles on propane.

Stuart Weidie, president of Alliance AutoGas and president and CEO of Blossman Gas, said the alliance has made an effort over the past 18 months to increase the number of vehicles it converts and services for commercial fleets. It now includes more than 60 propane marketers and about 85 service and maintenance companies with more than 200 facilities across North America. Vehicles are converted to the Prins LPG Vapor Sequential Injection system.

"That's one of the reasons we now feel we would like to go to the propane industry for their own vehicles," Weidie explained. "Previously we were just selling to commercial customers, but we're now also going to be encouraging propane industry retailers and marketers to run their own vehicles on propane and use the Prins system that we provide." Now, any propane marketer in the U.S. can use the services of Alliance AutoGas companies to purchase equipment and get their vehicles converted.

"I think it's time our industry practices what we preach," Weidie noted. "A good portion of our industry is not particularly positive about autogas for whatever reason, but the fuel cost savings are remarkable, because we basically have our gas cost plus whatever federal or state taxes are appropriate. You compare that to what we're paying for gasoline and diesel at the pump—it's a tremendous savings. We as an industry need to be realizing those potential savings but also doing our part to have vehicles out on the road that are running [with] lower emissions than the competing fuel alternatives."

In addition to commercial fleets, the alliance has in the past made its services available for propane marketer fleets to convert their vehicles as well. But, until now, the coalition hasn't made an effort to communicate that propane marketers can use those services. Unlike in the early days of the alliance, when only coalition members could use the services to convert their own fleets to propane, that is no longer the case.

Weidie believes that aftermarket conversions are important in developing the propane autogas market and attracting interest from original equipment manufacturers (OEMs).

"From Ford and GM, Toyota, and even Chrysler, we've got to get the volumes in the aftermarket up so they think it's worthwhile to offer that from the factory," he said. "The aftermarket is important to develop the U.S. marketplace and to give the OEMs confidence that they will have unit sales if they produce a vehicle that runs on propane from the factory."

Over the past year, Alliance AutoGas has focused on expanding its service network. Weidie stresses that is important because maintaining the vehicles and servicing them if any issues should arise is important to keeping the vehicles on the road using propane.

He reflected on the alliance's progress since Blossman and other companies formed it in 2009. At that time, Blossman Gas was talking with fleets nationwide about converting their vehicles to propane, but the company only operates in 14 states. Weidie came up with the concept of working with companies that shared Blossman's values of treating customers well and providing those companies with everything they need to make the switch.

The alliance has expanded since then. "We have over 60 propane fuel providers who can put in dispensing equipment and provide the fuel, and our network of installation and service centers has expanded dramatically," Weidie said. "Over the past year, we've been focused on expanding our service network. We're very focused on servicing the vehicles once they have been converted or purchased, say a Roush vehicle, ensuring those vehicles stay on the road using propane, because you've got to be able to service them if any issues come up and do the maintenance on them. So that was the basic concept."

The coalition continues working on its other areas of focus, such as development of engine platforms and obtaining certifications for them. The group achieved EPA certification for more than 28 vehicle platforms in 2016 and is continuing an aggressive certification program for 2017.

"We're working to make our systems easier to convert for a 'plug and play' install and increasing the number of platforms that fleet customers and even people in our industry can utilize in their businesses," Weidie noted. The alliance continues to work on certification for the Ford Transit, which he noted is the coalition's biggest seller with fleet customers. It has received certifications for the 6.8L Ford F-450, 550, 650, and 750 platforms for 2016 and is working on the 2017 models of those vehicles. Weidie described the 6.8L as "a great system for bobtails of 2800- or 3000-gallon barrels or less for our industry. Those are two very important platforms for us." The coalition has continued its work on law enforcement platforms that it has performed since it started out in 2009, and the group will soon start focusing its efforts on a propane-fueled Lincoln Continental, which Weidie

Alliance Member Profile: AutoPort

Propane conversions are just one business segment for AutoPort. Inc. (New Castle, Del.); port processing is the company's other primary focus. The business was founded in 1981 and handles shipping needs for OEM companies moving vehicles in and out of the U.S.

The domestic conversion portion of AutoPort is handled by Chris Carvelli, who is commercial, fleet, and alternative fuels manager.

"We do just about anything you can do to a vehicle once it gets produced," Carvelli said. "Anything from utility bodies, stake bodies, van interiors, plows, liftgates, and alternative-fuel conversions. We pride ourselves in being a one-stop shop for the aftermarket."

The business began about five years ago, converting gasoline vehicles to all electric vehicles. "Then the propane part of the alternative-fuel sector really caught fire," Carvelli noted, "because it's easy access, the price point is nice, and conversions are for the most part pretty regular. There are not too many variations in the ones we do."

AutoPort is a certified conversion center and handles all-electric vehicle repowering in addition to propane and CNG conversions. Blossman Gas, part of the Alliance AutoGas network, and ICOM North America (New Hudson, Mich.) are two main propane kit manufacturers. Blossman and ICOM perform propane conversions but partnered with AutoPort to expand their geographical area of service. AutoPort recently completed propane conversions of shuttle buses for a local university and airport parking service. "Both have their own propane station and wanted to run a propane vehicle instead of gasoline," Carvelli said.

He explained that a customer will ship a vehicle to AutoPort for conversion, and then AutoPort will order a conversion kit from ICOM or Blossman, which uses the Prins system. "We order the kits from the manufacturers, they send them to us along with a conversion kit with the tanks, and we do the conversions at our locations and deliver it back to the end user." ICOM and Blossman provided training for AutoPort technicians to learn how to install the systems.

He also is an advocate for propane when he is on sales calls for AutoPort. Pennsylvania and Delaware have been strong areas for propane sales as of late because of more available infrastructure. His propane customers in those areas are used as case studies to support the economics of propane conversions.

"It gives credibility to doing a propane conversion," Carvelli explained. "People are kind of nervous. If they don't know what they're looking at or being sold, or if there's something that their team must be trained on, when they're nervous, they don't do it. It's my job to give them examples of folks that already do it and show them the benefits of the fleet, financial, safety, or environmental." He also talks about available state and federal grants for alternative fuels to persuade them further.

"Additional money can be had to motivate people who are on the fence. Don't let a couple hundred bucks or $1000 steer you away from trying this out."

described as "a good 'black car limo' platform that we think is going to have good prospects."

Alliance is also working on a General Motors 4.3L dedicated propane direct-injection engine. Weidie explained that vehicle manufacturers are trending toward direct-injection technology as opposed to sequential injection.

"We want to stay on the cutting edge technologically," Weidie said. "As vehicle platforms come out that run on direct-injection technology, we want to ensure we have a system, so that's been a big part of our technology efforts in conjunction with Prins over the past several years. It's an exciting project on the 4.3L, which can be scaled up to a 5.3L GM engine that we hope to have available over the next 12 to 18 months." He added that the 5.3L engine is typically a good platform for service vehicles and package delivery.

The alliance is "working hard behind the scenes" on technical and engineering platform development to increase the number of propane vehicles that will meet the needs of most commercial fleet applications in the country. "We continue to make refinements, and the ability to install in a confident and professional manner without having to have an engineering degree to do it properly, and expand our network on the service side for the basic maintenance items required for the system…is what I really want to share as our primary focus right now."

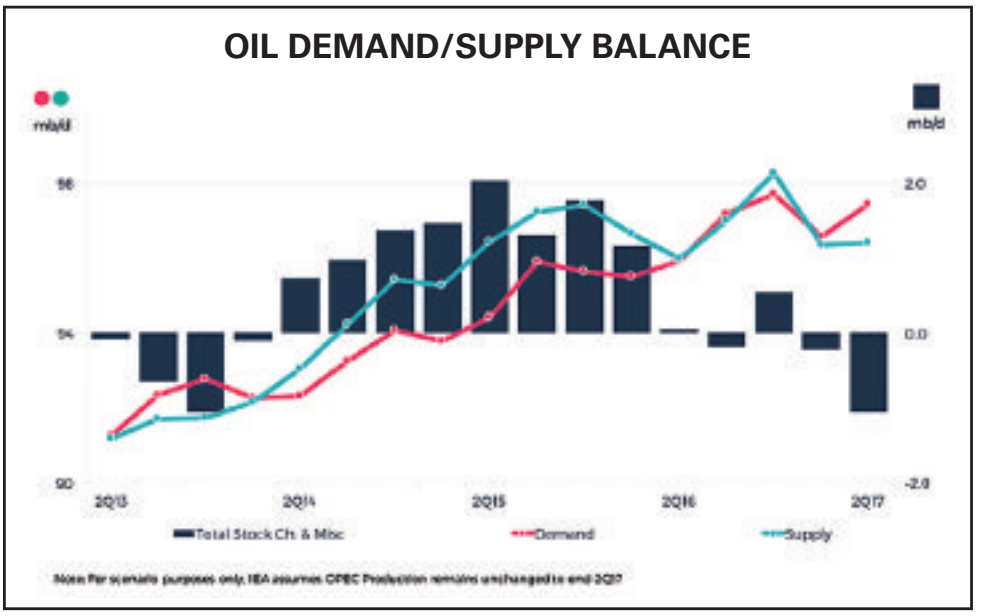
He is encouraged by the 40% month-over-month growth the alliance saw throughout 2016, and is confident that growth will continue in 2017, especially if gasoline prices continue their rise. Even if gasoline prices rise only incrementally from where they are today, that will create more opportunities as companies seek to lower their costs by using a fuel such as propane autogas that is environmentally friendly and cost-effective. Alliance AutoGas is not involved in school buses, but Weidie is pleased to see the growth in that market, even as gasoline prices declined over last couple of years.

"We still think there are a great number of companies that want to be good environmental stewards and use autogas, but we think more people will be attracted to autogas if and when the gasoline prices start to increase even if by a small amount over the next year to two years. People who are buying this technology have sustainability programs and care about the environmental benefits. It's less of an economic sale at the moment. We think that will continue. However, we think the growth rate will accelerate if gasoline prices continue to even have a slight uptick going into the future." *—Daryl Lubinsky*

New Dynamics

(Continued from p. 34)

potential contribution to additional supply. Fatih Birol, IEA's executive director, said that investments globally must rebound sharply to avoid major price volatility after 2020. Production in the U.S. is expected to grow by 1.4 MMbbld by 2022 if prices remain around the $60/bbl area. On the other hand, an increase to $80/bbl might cause production to ramp up 3 MMbbld. Conversely, a drop to $50/bbl would likely cause production to be lower after 2020. Overall, worldwide oil production growth of 5.6 MMbbld is expected, with non-OPEC countries contributing 60%. This makes the case for a tightening of the market since demand is expected to post a 7.3-MMbbld net gain. While the effects of this may not be felt strongly until 2020, it is good to be aware of the potential.



New supplies will most likely come from major low-cost producers such as Iraq, Iran, and the United Arab Emirates. Production from Nigeria, Algeria, and Venezuela will likely decline. Russian output is expected to remain stable for the next five years.

For the retail propane marketer, many of the factors affecting prices for propane and crude oil could very likely trigger increases over the upcoming few years. As always, it is important to monitor prices and know what factors are on the horizon that could drive them higher or lower. It continues to be a concern that, as supply and demand for both propane and crude oil come closer together, the result will be prices that are higher than they are today. *—Pat Thornton*

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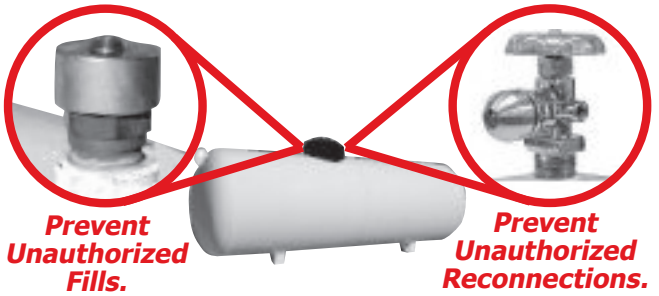

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Rutherford Equipment Inc.

Mike Rutherford was promoted to president of **Rutherford Equipment Inc.** (Covington, Ga.), effective May 1, and is the third generation Rutherford to hold this position. He joined Rutherford Equipment upon graduation from college in 1998, and began working to grow a new sector of the business, first promoting gas grills. Through the years, Rutherford worked to grow the company's hearth and grill product sales by adding numerous lines of products.

In 2007, he was president of the Georgia Propane Gas Association (GPGA). Following his term as president, Rutherford was promoted to vice president of sales and marketing, where he was responsible for the sales growth of all products, including the propane equipment that the company has distributed for 57 years.

His father, **Randy Rutherford**, will remain active with the company as chairman.

Ray Coile, an employee of **Rutherford Equipment** (Covington, Ga.) for nearly fifteen years, retired May 1. He served as Rutherford's operations manager for the past 10 years. An industry veteran, Coile has worked in the propane industry for more than 57 years, having joined General Gas as a district manager in 1960. General Gas was then purchased by Amoco, where he worked for 19 years until it was sold to Northern Propane in 1979. He left Northern and worked in Texas for four years before moving to North Carolina to sell propane to southeastern dealers for 13 years. He joined Rutherford in 2002.

Keven Bayley has joined **Ray Murray Inc.** (Lee, Mass.) as regional sales manager. He will be responsible for growing the company's propane equipment, and hearth and outdoor living products business in Maine, New Hampshire, and Vermont. A longtime member of the propane industry, Bayley worked many years for marketers, and most recently in the bulk plant construction business.

He takes over the territory handled by **Larry Doughty**, who recently retired from the propane industry after being with Ray Murray Inc. since 2012.

Don Weeks, a field representative of **Meeder Equipment**, passed away Feb. 28. Mr. Weeks was described as a "go-to person for technical advice and plant design."

Bradley C. Hall, president of **UGI Energy Services** (Valley Forge, Pa.), has retired following a 34-year career with the company. **Joseph L. Hartz**, COO of UGI Energy Services, was named to take over as president, effective in early March. Hartz joined the company in 1985, and in 2014 was named COO.

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BPN's Propane Industry Calendar

For up-to-the-minute meeting and convention information, use the telephone number listed, or additional listings can be found at www.bpnews.com

2017

May 1-4—ACT Expo, Long Beach Convention Center, Long Beach, Calif. (866) 881-6309

May 2-4—Manufactured Housing Institute 2017 National Congress & Expo, Caesars Palace, Las Vegas. (703) 558-0400

May 4-5—National Propane Gas Association Benchmarking Council Groups G-L, Embassy Suites, Dallas-Frisco, Texas. (202) 355-1335

May 16-18—92nd International School of Hydrocarbon Measurements, The Cox Convention Center, Oklahoma City. (405) 831-8609

May 17-19—The Western Propane Trade Show and Convention, Silver Legacy Hotel/ Reno Events Center, Reno, Nev. (916) 447-9742

May 21-25—Eastern Energy Expo, Hershey Lodge and Convention Center, Hershey, Pa. (973) 467-1400

June 1-2—Vermont Fuel Dealer Conference, Snowflake Resort, Stowe. (802) 230-4722

June 4-6—Alabama and Louisiana Propane Gas Associations Joint Convention, Hotel Monteleone, New Orleans. (334) 358-9590

June 4-7—National Fire Protection Association Conference & Expo, Boston Convention & Exhibition Center, Boston. (800) 344-3555

June 12-15—Mid States Propane Expo and Trade Show, Sheraton Kansas City Hotel at Crown Center, Kansas City, Mo. (800) 601-9332

June 12-15—2017 Tennessee Propane Gas Association Annual Convention, Perdido Beach Resort, Orange Beach. *graffield@tennpropane.com*

June 13-15—The Global Petroleum Show, Stampede Park, Calgary, Canada. (888) 799-2545

June 14-15—2017 New England Fuel Institute Expo, DCU Center, Worcester, Mass. (617) 924-1000

June 14-15—North Dakota Propane Gas Association Convention, Rough Riders Hotel, Medora. (701) 223-3370

June 18-21—NPGA Presidential Summit, Mid-Year Board of Directors Meeting, and Propane Days, Hyatt Regency, Washington, D.C. (202) 355-1335

June 20-22—Renewable Energy World Conference & Expo Europe, Koelnmesse, Cologne, Germany. (888) 299-8016

June 21-22—AEGPL Congress 2017, Lisbon Congress Centre, Lisbon, Portugal. *aegpl@aegpl.be*

June 21-23—Pennsylvania Propane Gas Association Annual Meeting, Nittany Lion Inn, State College. (717) 441-6040

June 26-29—The Arkansas Propane Gas Association and Oklahoma Propane Gas Association Bi-Annual Convention and Conference, Embassy Suites, Hot Springs, Ark. (479) 824-4299

June 27-29—Minnesota Propane Association Convention and Trade Show, Arrowhead at Alexandria, Alexandria. (763) 633-4271

June 28-30—2017 Colorado/ New Mexico Annual Convention, Tamaya Resort by Hyatt, Santa Ana Pueblo, N.M. (303) 424-0870

July 9-13—22nd World Petroleum Congress, The Crocus Expo International Centre, Istanbul, Turkey. *info@world-petroleum.org*

July 11-12—PERC Council Meeting, location tba, Denver, Colo. *anna.lombardo@propane.com*

July 11-13—Oil & Gas Africa, CTCC, Cape Town, South Africa. *info@africaogp.com*

July 20-24—Florida Propane Gas Association Annual Convention, location tba, Ponte Vedra. (850) 681-0496

July 26-28—Michigan Propane Gas Association Annual Convention, Shanty Creek Resort, Bellaire. (517) 487-2021

Aug. 4-6—Texas Propane Gas Association Propane Expo and Conference, Moody Gardens, Galveston Island. (800) 325-7427

Aug. 6-8—Georgia Propane Gas Association and South Carolina Propane Gas Association Southern Connection Convention, Sonesta Resort, Hilton Head, S.C. (803) 865-2284

Sept. 10-13—National Propane Gas Association TS&S Committee Meeting, The Mining Exchange, Colorado Springs, Colo. (202) 355-1335

Sept. 14-15--National Propane Gas Association Benchmarking Council Groups A-F, Embassy Suites, St. Charles, Mo. (202) 355-1355

Sept. 17-19—Manufacturing Housing Institute Annual Meeting, Disney's Grand Floridian Resort, Orlando, Fla. (703) 558-0400

Sept. 17-20—North Carolina Propane Gas Association Annual Convention, Myrtle Beach Resort & Spa at Grande Dunes, Myrtle Beach. (919) 787-8485

Sept. 21-22—National Propane Gas Association Benchmarking Council Groups G-L, Embassy Suites, St Charles, Mo. (202) 355-1355

Sept. 26-27—South Dakota Petroleum & Propane Marketers Association Convention, The Lodge, Deadwood. (605) 224-8606

Sept. 27-29—World Energy Engineering Congress, Georgia World Congress Center, Atlanta. (770) 447-5083 Ext 226

Oct. 1—Women in Propane Council Annual Meeting, Hyatt Regency, Minneapolis. *wip@npga.org*

Oct. 1-3—National Propane Gas Association Board of Directors Meeting, Hyatt Regency, Minneapolis. (202) 355-1335

Oct. 3-5—The World LPG Forum, Palais Des Congres De Marrakech, Morocco. *eassous@wlpga.org*

Oct. 11-12—Propane Gas Association of New England Annual Meeting, Portsmouth Harbor Events & Conference Center, Portsmouth, N.H. *caryng@pgane.org*

Oct. 15-17—West Virginia Propane Gas Association Joint Fall Meeting with VAPGA, Hotel Roanoke, Roanoke, Va. (941) 347-7596

Oct. 17-19—Sunbelt Ag Expo, Spence Field, Moultrie, Ga. (229) 985-1968

Nov. 2-3—PERC Council Meeting, location tba, Tampa, Fla. *anna.lombardo@propane.com*

Nov. 12-14—Air Conditioning, Heating, & Refrigeration Institute Annual Meeting, Trump National Doral, Miami. (703)-524-8800

Dec. 5-7—Renewable Energy World International, Las Vegas Convention Center, Las Vegas, Nev. (918) 831-9736

2018

Jan. 18-19— National Propane Gas Association Benchmarking Council Groups A-F, Embassy Suites West Palm Beach Central, West Palm Beach, Fla. (916) 531-2231

Jan. 25-26— National Propane Gas Association Benchmarking Council Groups G-L, Embassy Suites West Palm Beach Central-West Palm Beach, Fla. (916) 531-2231

Feb. 10-12—National Propane Gas Association Board of Directors Meeting, location tba, Savannah, Ga. (202) 355-1335

March 4-6—National Propane Gas Association Spring Technology Standards & Safety Committee Meeting, Hilton Savannah DeSoto, Savannah, Ga. (202) 355-1335

March 6-9—The Work Truck Show 2018, Indiana Convention Center, Indianapolis. (800) 441-6832

April 6-8—National Propane Gas Association Southeastern Convention & International Propane Expo, Georgia World Congress Center, Atlanta. (202) 466-7200

April 26-27—National Propane Gas Association Benchmarking Council Meeting (Groups A-F), Wyndham Bayside, San Diego, Calif. (916) 531-2231

May 3-4— National Propane Gas Association Benchmarking Council Meeting (Groups H-M), Wyndham Bayside, San Diego, Calif. (916) 531-2231

June 3-6—2018 Presidential Summit, Mid Year Board of Directors Meeting and Propane Days, Renaissance, Washington, D.C. (202) 466-7200

June 10-13—2018 Mid-States Show, Branson Hilton Convention Center, Branson, Mo. (800) 601-9332

June 18-21—North Central Convention & Trade Show, location tba, La Crosse Wis. *dgrooms@lapropane.org*

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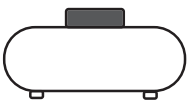

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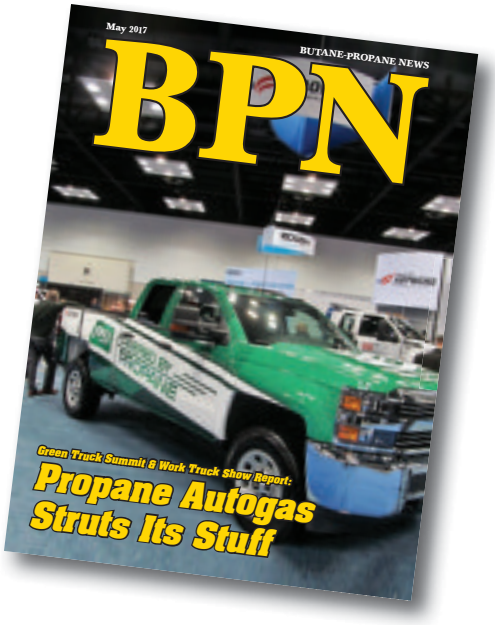

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Women in Propane

Paula Laney started with the Oklahoma LP Gas Research, Marketing, & Safety Commission 17 years ago. The organization was created by the Oklahoma Legislature in 1994 to serve the state's propane industry and its customers in matters of research, marketing, and safety activities. Oklahoma had one of the first state PERCs, and Laney was brought on board in 2000 to help with safety, compliance, and training directives.

You may think that Laney's career in the industry started there, but she actually grew up as a 'propane brat' in her family's business, Liberty Propane Gas in Oklahoma, which is still in operation. "I remember going with my dad to make deliveries. My job was to chock the tires, and later I would write up meter tickets. My dad had me sit for the state propane licensure test when I was 21 and I still maintain those permits along with my Class B CDL with a Hazmat endorsement. You never know when you might need to deliver some gas, right? I left the propane industry briefly to work in human resources and communications. However, my heart was always with propane, so when my current position came up, I knew it was right for me. It combines my passion for training and development with my love for the propane industry."

Laney is a consultant for the commission and hopes for a long-term future in this role. "I love that I never have a typical day. One week I may be doing an NFPA 58 and 54 class for people seeking a state manager's permit, and the next I'm attending a fleet management conference or alternative fuels event. I attend meetings for all of our propane-related entities [association, commission, and administration], as well as those for the Department of Labor, OUBCC, and Clean Cities. I have been a presenter at conferences for the NFPA, the International Association of Fire Chiefs Hazmat, Oklahoma Fleet Managers, and Green Transportation Summit. We have a mobile training trailer that I take around the state to train employees and plumbers on proper propane installations and system checks.

"I make it my goal to have my foot in any door where propane is, or should be. My goal is to make sure people know who we are and what propane can do for them—their company, home, fleet, etc. I work to dispel the common misconceptions about the safety of our product—thanks a lot Hollywood! I also take a lot of calls and emails to assist marketers with safety and compliance. I think of myself as a safety consultant for all Oklahoma propane marketers."

When asked what she likes best about her job, Laney is quick to cite the people. "No doubt! Propane folks are great people that care about their business, family, and community. A propane business is truly one of the last true original American business models. How many things did our grandparents have delivered to their door? Milk, ice, newspapers….door-to-door salesmen had all kinds of handy household items for sale. Nowadays very few business models involve a genuine face-to-face relationship with the customer. From large multi-state to small marketers, the personal connection between delivery driver and customer is the same. That's rare in any other industry. I am honored to work with and serve these business owners and their employees."

As far as the biggest challenges Laney sees in her role, but also for the industry, it's keeping up with the ever-changing codes and regulations that propane marketers must adhere to. "Thank goodness for the wonderful people at NPGA and PERC that help us stay on top of all of it! I do not know how I would have kept my sanity all these years without [NPGA's] Mike Caldarera and [PERC's] Stuart Flatow."

Laney is very involved in the industry as a way of giving back. She is a member of PERC's Safety and Training Work Group, which she calls 'the cool kids.' "I enjoy helping develop quality, accessible, and relevant safety and training materials that benefit our industry. Members from all over the country and all sizes of businesses come together to work on these projects. We put aside competition and personal gain. Everyone is part of the same team with a common goal of improving our industry. I love those people!"

She credits her dedication and work ethic to her parents and those formative experiences at the family company, but as in any family business, family comes first. "My parents raised a workaholic, but I also cherish time with my family. Our weekends are a blur of soccer games, dance rehearsals, and other activities, but I know one day I'll miss that, so I try to enjoy every day. We love going to the lake, riding RZRs, and travel."

It's clear that this 'Oklahoma Gas Chick' (that's her email address!) is in the industry for the long haul. —*Rita Pecilunas*

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