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IT'S ALL ABOUT THE "SHOW-ME" PROCESS

PAT THORNTON

Nobody seems to know exactly why Missouri was nicknamed the "Show-Me State," but the most popular story revolves around a congressman, William Duncan Vandiver, who made remarks in the late 1890s at Philadelphia's Five O'Clock Club challenging the accuracy of a previous speaker's comments. "I come from a state that raises corn and cotton and cockle-burs and Democrats, and frothy eloquence neither convinces nor satisfies me," Vandiver said. "I am from Missouri. You have got to show me."

In this month's feature article on the Missouri Propane Education and Research Council's (MOPERC's) Propane Inspiration Home campaign, Larry Eggen of MFA Oil in Warrensburg, Mo., commented that the propane industry needs to "Show Me" how propane benefits a Missouri home. Many in Missouri agree that all the senses may need to be involved in the "Show-Me" process of experiencing propane's quality of heat for a home and for heating water. A recent survey of propane users conducted by MOPERC found that plenty of Missourians who have experienced the benefits of a propane furnace or a water heater will simply not go back to an electric furnace or water heater.

Also, there are many more propane-powered appliances that can add propane load to a home. In addition to a propane furnace and water heater, possibilities include a gas fireplace, stove, outdoor grill, and dryer. Of course, many factors such as square footage, efficiency, degree days, and number of people in the home affect overall consumption of propane. Regardless of exact usage, it is certain that adding more and more propane features will only increase the propane load.

The process of adding this load starts with propane retailers and homebuilders who believe in propane as the best fuel source for the home. There is plenty of room to add market share, especially in rural areas, and at each home there is room to add to the share of the house running on propane.

As propane marketers in Missouri and other states are learning, it is all about the "Show-Me" process, not only with end users, but also with the many stakeholders who influence end users in building the homes. The Missouri Propane Gas Association currently provides training to HVAC and plumbing professionals. Future plans include the training of additional contractors in the state so that more and more of them will know the benefits; be ready to install the piping and put the appliances in place; and, most importantly, play a role in the "Show-Me" process about propane benefits.

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OUR COVER

Propane marketers view the Rheem high-efficiency propane furnace installed in the Inspiration Home at Lake of the Ozarks. As part of MOPERC's Welcome Home initiative, the Inspiration Home powered by propane, educates and inspires homebuilders and home buyers. Photo courtesy Callis Integrated Marketing (Sedalia, Mo.)

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PUBLISHED BY

Butane-Propane News, ISSN 0007-7259, is published monthly by:

Butane-Propane News, Inc.,
 338 E. Foothill Blvd.
 P.O. Box 660698
 Arcadia, Calif. 91066

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SUBSCRIPTIONS

Subscription Prices: United States, U.S. Possessions – one year, **\$34**, two years, **\$50**. Canada – one year, **\$43**, two years, **\$65**. All other countries – one year **\$70**, two years **\$108**. Air mail **\$50** per year extra. Single copy price within the U.S., Possessions, and Canada, **\$10**.

Available on microfilm from University Microfilm International, 300 N. Zeeb Road, Ann Arbor, Mich. 48106.

NEWSLETTER DEPT.

JOHN NEEDHAM Editor
BRENDA LIESWALD Circulation Manager
 Weekly Propane Newsletter

Newsletter editorial communications and subscriptions for the WEEKLY PROPANE NEWSLETTER should be directed to P.O. Box 660698, Arcadia, Calif. 91066.

AFFILIATIONS



MAILING INFORMATION

Periodical rate postage paid at Arcadia Post Office and additional mailing offices.

USPS 457-950

POSTMASTER send address changes to Butane-Propane News, P.O. Box 660698, Arcadia, Calif. 91066.

Ship advertising materials to Butane-Propane News, 338 E. Foothill Blvd., Arcadia, Calif. 91066

CPM 40065056

ISSN 0007-7259

Canadian Return Address:
 DP Global Mail, 4960-2 Walker Road, Windsor, Ont. N9A 6J3

A propane technician wearing a blue cap, safety glasses, and orange gloves is working on a gas line. He is holding a wrench and a pipe, and a propane tank is visible in the background.

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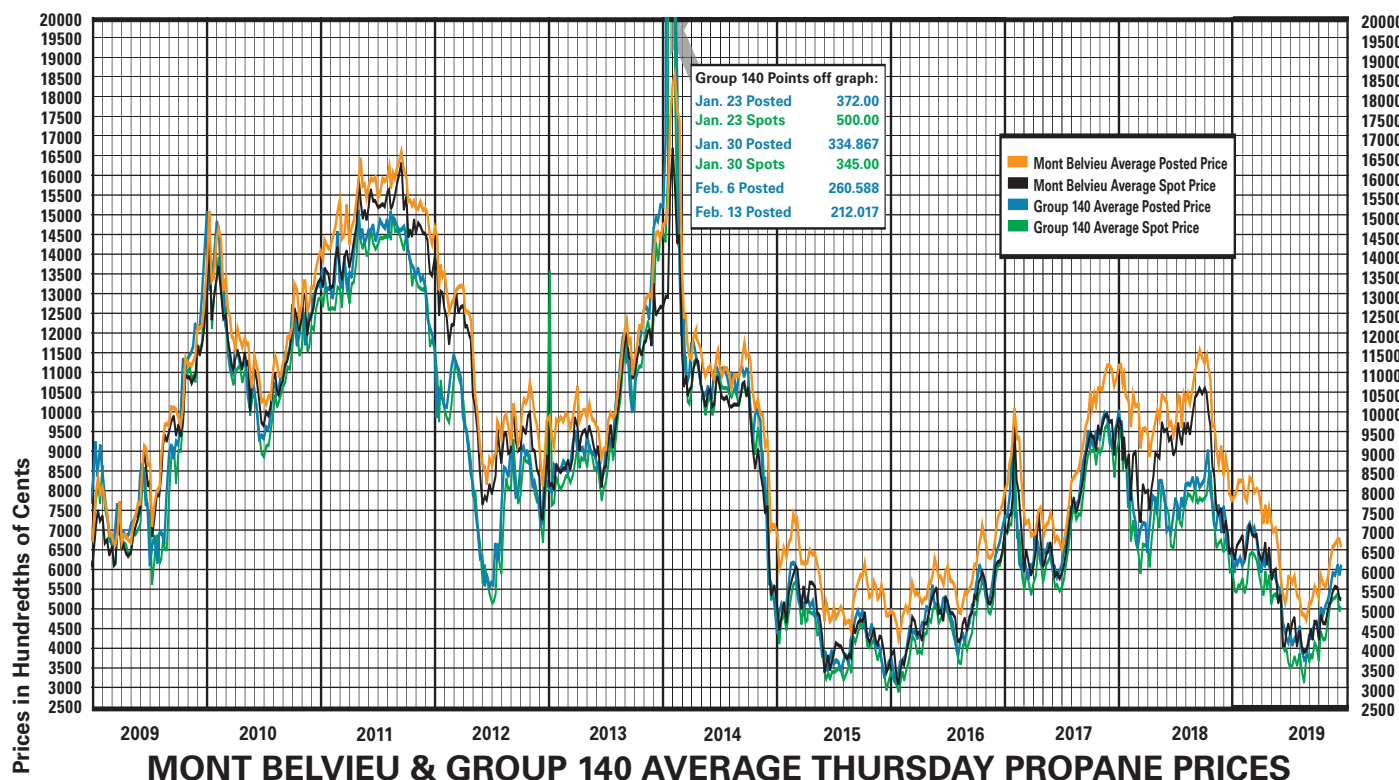
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MID-WEEK AVERAGE POSTED/ SPOT PROPANE PRICES

(Cents per Gallon)

Date	Mont Belvieu		Group 140	
	POSTED	SPOT	POSTED	SPOT
11-14-19	65.173	54.00-54.625	64.090	51.50-52.50
11-21-19	66.257	55.375-55.625	63.840	52.50-52.875
11-26-19	67.840	54.75-55.25	66.090	53.25-53.75
12-5-19	67.507	52.00-52.625	63.590	49.125-49.50
12-12-19	65.507	52.125-52.375	61.240	50.25-50.50
12-19-19	63.423	49.35-50.25	58.664	47.75-48.00

U.S. RESIDENTIAL PROPANE PRICES

(Mid-Month, Cents per Gallon)

Region	Date		
	12-19	11-19	12-18
East Coast (PADD I)	261.9	254.7	323.6
Midwest (PADD II)	167.8	162.4	182.1
Average U.S.	202.3	197.0	243.9

Source: "This Week in Petroleum,"
Energy Information Administration

U.S. PROPANE INVENTORIES

Nov. 15, 2019 to Dec. 13, 2019 and One Year Ago

	11/15/19	11/22/19	11/29/19	12/6/19	12/13/19	12/14/18
East Coast	8,610	8,371	7,720	7,094	6,426	6,380
Midwest	23,386	22,903	22,077	21,025	20,474	21,858
Gulf Coast	58,170	58,555	58,123	61,470	60,248	41,804
Rockies/West	4,044	3,699	3,862	3,912	3,811	3,204
U.S. Total	94,210	93,527	91,782	93,500	90,960	73,246
Propylene	5,050	5,207	5,339	5,402	5,491	4,662

CANADIAN INVENTORIES

(Dec. 1, 2019)

Thousand Cubic Meters

PROPANE

Region	12-19	11-19	Change	12-18
Propane—East	388.6	456.2	-14.8%	435.6
Propane—West	664.8	759.7	-12.5%	1073.4
Total Propane	1053.4	1215.9	-13.4%	1509.0

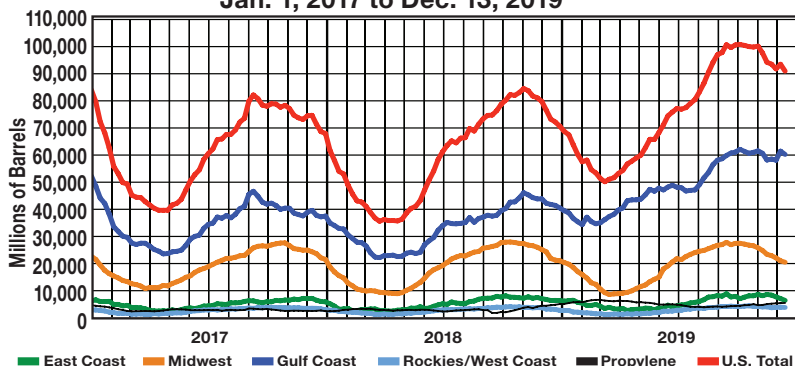
BUTANE

Butane—East	269.4	266.5	+1.0%	372.8
Butane—West	371.9	376.8	-1.3%	1000.5
Total Butane	641.2	643.3	-0.3%	1373.3

Source: Canada Energy Regulator

U.S. PROPANE INVENTORIES

Jan. 1, 2017 to Dec. 13, 2019



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BRAZIL'S COPAGAZ RISES TO NO. 1

Brazil's Copagaz expects to become its country's LPG market leader and triple its market share after it closes a deal to buy Liquigas, which state-owned Petrobras is selling, a company executive tells Reuters. Pedro Zahran Turqueto, the company's top executive for business development, said Copagaz should now have a 25% market share in LPG.

Copagaz has agreed to buy 80% of Liquigas. Petrobras has said that the price for 100% of the company is 3.7 billion reais, or \$881.71 million. Copagaz was founded in 1955 and currently has an 8% market share in Brazil, Turqueto said. Brazil's antitrust regulator still needs to approve the acquisition.

"We understood that Liquigas was a very important asset, something strategic that we had to make an effort to acquire," the business development chief said. "We are going to have great capillarity now, good positioning in all of Brazil's regions." Copagaz intends to retain the Liquigas brand, which has favorable name recognition in the country. Copagaz also plans to more than double its investments in 2020 to between 200 million and 250 million reais. It aims to grow in Brazil's northern region, where it is still underrepresented.

CHINESE SET UP PURCHASING GROUP

Argus Media reports that a group of 10 LPG buyers in China has partnered to increase bargaining power and cut import costs. The new propane and ethane purchasing group held its first meeting in Shenyang, Liaoning province recently under the auspices of the China Petroleum and Chemical Industry Federation (CPCIF), an industry organization.

The group has been set up as a platform to coordinate resources among its members and will not buy raw materials itself, although member companies may look to jointly buy LPG in the future. Members include Shenzhen

Grand Resource, which has brought online a new 20,000-bbld propane dehydrogenation (PDH) plant in South China. Another member, Ningbo Huatei Wealthy Polymer Material, is due to start up a new PDH plant soon. Others include the independent refiner Shandong Landbridge Petrochemical and other companies in Liaoning, Shandong, Zhejiang, Fujian, Guangdong, and Guangxi provinces, according to Argus Media.

The group's chairman is Zhang Tong, vice president at state-controlled PetroChina International, the overseas trading arm of PetroChina. The expansion of China PDH capacity and potential ethane-to-ethylene projects are posing new challenges to LPG purchasing and financing, Zhang said. The group, with support from CPCIF's light and heavy hydrocarbon committee, will help its members reduce market risk and lower purchase costs, he added.

TOYOTA KLUGER OFFERED WITH PRINS SYSTEM

The Toyota Kluger with a Prins VSI-2.0 LPG fuel system is now available for Australian taxi fleets, reports *Automotive World*. Prins Alternative Fuel Systems in the Netherlands developed the autogas system to suit the latest engine for the Toyota Kluger, a popular SUV in Australia.

The 3.5-liter, V-6 engine that powers the latest model Kluger is special because it uses both multipoint injection (MPI) and direct injection (DI) technology in one system. This injection technology is one of the latest changes OEMs such as Toyota are using in their engines. Together with local partner Prins Australia and autogas supplier Unigas, Prins optimized the Toyota Kluger to enable lower fuel cost, emissions, and particulates.

The technology is specifically calibrated for bi-fuel operation—LPG and petrol. The driver will experience an extended driving range without losing storage space and any power loss. "We are pleased that Prins has developed this system and was able to convert the

Toyota Kluger using autogas, and we anticipate a positive take-up in sales, especially from the taxi fleets as this vehicle is typically used by the large-vehicle, seven-seater taxi fleets in Australia," said John Coggins, national autogas manager at Unigas.

CHINA'S WANHUA SIGNS LPG DEAL

China's top petrochemical producer, Wanhua Chemical Group, has signed a 10-year, free-onboard (FOB) term contract with Qatar Petroleum (QP) to import about 800,000 metric tons of LPG, reports S&P Global Platts. Wanhua Chemical, based in Yantai in China's northeast Shandong province, signed the contract with Qatar Petroleum for the Sale of Petroleum Products Co. Ltd. (QPSP). The deal begins in 2020 and calls for cargos split between propane and butane. Percentages were not disclosed.

"This new agreement with QP is a further proof of how Wanhua is creating a long-term and mutually beneficial partnership with our strategic supplier," said Kou Guangwu, Wanhua Chemical's group CEO. "Wanhua, as a government-owned company and world-leading chemical producer, will continue to work closely with QP to explore more opportunities to serve the One Belt One Road strategy."

S&P Global Platts notes that the agreement underscores Wanhua's aim of diversifying LPG supply sources, especially with Middle East producers amid U.S.-China tensions and as it seeks to boost LPG imports to about 5.5 million metric tons next year from 4 million metric tons ahead of new projects in Yantai, and to widen trade activities in Asia.

"This agreement reflects our marketing strategy to increase direct sales of petroleum products with end-users, specifically with China," said Saad Sherida al-Kaabi, Qatar's minister of state for energy affairs and Qatar Petroleum's president and CEO. "The Chinese market continues to enjoy steady growth, and remains an important destination to Qatari energy exports."



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MR. STEAK GAS GRILLS RECALLED FOR POTENTIAL FIRE HAZARD

Bass Pro LLC of Springfield, Mo. is recalling certain four- and five-burner Mr. Steak gas grills due to a potential fire hazard. The regulator hose with an attached fuel gauge can melt if it comes in contact with the bottom of the grill's firebox. Bass Pro has received nine reports of fires. No injuries or property damage have been reported.

The grills, manufactured in China, were sold at Bass Pro Shops, Cabela's, and ABT Appliance & Electronics stores nationwide and online from May 2017 through July 2019 for around \$500 for the four-burner grills and \$600 for the five-burner models. About 3300 of the grills were sold in the U.S. and an additional 400 in Canada.

The recall involves models MS-4B-PG, SKU 2472264, and MS-5B-PG, SKU 2472265. The grills have an integrated fuel gauge and fuel line that is not attached to the inside of the grill. The units are stainless steel with black trim and have four or five black and red dials. The words "Mr. Steak" are printed below the thermometer on the grill's lid.

The recall also applies to model numbers SKU 2366916 and SKU 2366917 if an aftermarket fuel gauge was added to the regulator assembly. A label on the inside of the left compartment door, or on the back of the grill, identifies the model number. In addition, the "SKU" is printed on the purchase receipt.

Consumers should immediately stop using the recalled grills and contact Mr. Steak for a free repair kit by calling (833) 677-8325 between 8 a.m. and 6 p.m. EST weekdays, or by visiting mrsteak.com and clicking on "Recall" on the home screen. Information is also available by visiting mrsteak.com/repairpartskit.

THOMPSONGAS ACQUIRES TACOMA'S APP PROPANE

ThompsonGas (Frederick, Md.) has acquired APP Propane Inc., a propane provider in Tacoma, Wash. While details regarding the transaction were not released, ThompsonGas noted it was committed to serving the residential, commercial, and industrial customers who have valued APP Propane's presence in the area for many years.

"We are very excited to add APP Propane to our existing operations in the Northwest," said Jeff Kerns, ThompsonGas CEO. "This is a significant addition to our customer base and we bring strong, tenured propane professionals with this acquisition into the ThompsonGas family."

"The acquisition of APP Propane is a game changer for us in the Northwest," added Jim Davis, ThompsonGas COO. "We will be adding this business to our rapidly growing Propane Northwest brand, and the addition of these excellent propane professionals will enhance our ability to take advantage of this great marketplace."

ENTERPRISE SELECTS HONEYWELL TECHNOLOGY FOR 2ND PDH PLANT

Honeywell (Charlotte, N.C.) confirmed in November that Enterprise Products Partners LP (Houston) will use Honeywell UOP's C₃ Oleflex technology in its second propane dehydrogenation (PDH) plant, or PDH 2. The plant will be located near Mont Belvieu, Texas and will produce 750,000 metric tons of polymer-grade propylene annually as part of Enterprise's expansion of its propylene manufacturing capacity.

Honeywell UOP, a provider of technology, services, and equipment for the oil and gas industry, will provide licensing for the Oleflex technology, in addition to engineering, catalysts, adsorbents, services, and equipment for the plant. Enterprise has operated a UOP C₄ Oleflex unit, which converts isobutane to isobutylene, since 1993. The company is constructing a second C₄ Oleflex unit in Mont Belvieu.

Globally, most new dehydrogenation projects since 2011 have been based on UOP technology, notes Honeywell, including projects for propane, isobutane, and mixed service. World production capacity of propylene from Oleflex technology currently stands at about 7.8 million metric tons a year.

"Due to the demonstrated economics and reliability of the Oleflex process, Enterprise determined this technology provides the best option to expand its propylene production capacity," said Bryan Glover, vice president and general manager of Honeywell UOP's petrochemicals and refining technologies business. "It will help Enterprise take advantage of low-cost propane and meet the rising demand for on-purpose propylene."

The new PDH unit will have the capacity to produce up to 1.65 billion pounds of polymer-grade propylene annually. It is scheduled to begin service in the first half of 2023. Honeywell UOP's C₃ Oleflex technology uses catalytic dehydrogenation to convert propane to propylene and is designed to have a lower cash cost of production and higher return on investment compared to other dehydrogenation technologies.

ENERGY TRANSFER, SEMGROUP COMPLETE MERGER TRANSACTIONS

Energy Transfer LP (Dallas) and SemGroup Corp. (Tulsa) have completed their merger. The terms of the agreement were approved by holders of a majority of SemGroup's outstanding voting stock Dec. 4. As a result of the merger, Energy Transfer issued about 57.6 million of its common units to SemGroup stockholders. Effective with the opening of the market Dec. 5, SemGroup ceased to be a publicly traded company and its stock is no longer traded on the New York Stock Exchange.



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The combined operations of the two companies are expected to generate annual run-rate efficiencies of more than \$170 million, consisting of commercial and operational synergies of \$80 million, financial savings of \$50 million, and cost savings of \$40 million. Energy Transfer's acquisition of SemGroup's Houston Fuel Oil Terminal, or HFOTCO, strengthens its crude oil transportation, terminal capacity, and export capabilities, and provides Energy Transfer a strategic position on the Houston Ship Channel. HFOTCO is a world-class crude oil terminal with more than 18 MMbbl of storage capacity, five deep-water docks, and seven barge docks.

To provide shippers additional access from the Houston Ship Channel to markets along the Gulf Coast, Energy Transfer is constructing the Ted Collins pipeline, a 75-mile crude oil line that will connect HFOTCO to its Nederland, Texas terminal. The pipeline is expected to be in service in 2021 and will have an initial capacity of 500,000 bbl/d.

The acquisition expands Energy Transfer's pipeline footprint by adding crude oil and NGL gathering systems and transmission lines in the Denver-Julesburg Basin in Colorado and the Anadarko Basin in Oklahoma and Kansas with connections to crude oil terminals in Cushing, Okla. The acquisition will also provide a significant natural gas gathering and processing presence in the Alberta Basin in western Canada.

DECARBONIZATION EFFORTS HIT WITH OUTREACH CAMPAIGN

With nearly 50 city governments across California threatening to adopt regulations that would curtail or prohibit the use of propane and natural gas, the Western Propane Gas Association is fighting back with a new public outreach effort, reports the National Propane Gas Association (NPGA).

A new website, *ProtectMyPropane.com*, educates consumers on the importance of energy choices and propane's benefits. The website also encourages consumers to sign a petition demanding elected officials and policymakers protect energy choice in future regulation.

The most recent challenge came in November when the Santa Rosa City Council voted to move ahead with a proposal to require the use of electric appliances in most residential construction. The panel voted unanimously to require the exclusive use of electric appliances in most new residential buildings below four stories beginning in 2020. The measure, which will require the backing of the California Energy Commission, will join similar moves by the cities of Windsor, Berkeley, and other local governments across California that have implemented propane and natural gas bans in the name of fighting climate change.

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The Western Propane Gas Association has received co-funding from NPGA's State Engagement Initiative for the outreach project. The state association is also using NPGA's online grassroots tools for its efforts to connect consumers with elected officials in cities considering anti-propane regulations. For more information on how states can access these online tools, contact Lesley Garland, NPGA vice president, state affairs, at lgarland@npga.org.

NGL VOLUMES FLOWING ON ONEOK'S ELK CREEK LINE

ONEOK Inc. (Tulsa) said Dec. 11 that it had completed construction of its Elk Creek Pipeline and that NGL volumes were flowing on the 900-mile line. Elk Creek, which extends from the Williston Basin to the company's mid-continent NGL facilities in Bushton, Kan., has the capacity to transport up to 240,000 bbl/d of unfractionated NGLs and the ability to be expanded to 400,000 bbl/d with additional pump facilities.

The company expects total Rocky Mountain NGL volumes transported on its Elk Creek and Bakken NGL pipelines to reach more than 240,000 bbl/d by the end of the first quarter of 2020. "The completion of Elk Creek provides critical NGL transportation to producers in the highly productive Williston,

Powder River, and Denver-Julesburg basins," said Terry K. Spencer, ONEOK president and CEO.

"Elk Creek, combined with ONEOK's investments in additional natural gas processing infrastructure in the region, will help producers significantly reduce natural gas currently flaring in North Dakota." ONEOK, a midstream service provider, owns one of the nation's largest NGL systems that connects supply in the mid-continent, Permian, and Rocky Mountain regions to key market centers. The company also owns an extensive network of natural gas gathering, processing, storage, and transportation assets.

INDUSTRIAL IRRIGATION LAUNCHES EPA-CERTIFIED ENGINE LINE

Industrial Irrigation Services (IIS), an industrial engine distributor headquartered in Hastings, Neb., has introduced its new Environmental Protection Agency-certified Reliable Horsepower engine line, which features new efficiencies, reduced maintenance time, and a complete electronic fuel control system for simplified monitoring.

The Reliable Horsepower line was made possible through a partnership between IIS, the Propane Education & Research Council, and Woodward Inc., an independent de-



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The new series features five different EPA-certified engines—a 5.7-liter, 6.2-liter, 8-liter, 9.1-liter, and 10.3-liter size—and includes dedicated propane engines, engines that run on either propane or natural gas, and bi-fuel engines.

“We decided to develop and launch a completely new set of engines because we weren’t satisfied with the existing fuel systems on the market and saw many gaps and areas for improvement,” said Jay Canada, IIS vice president of sales and engineering. “Our Reliable Horsepower engine line is changing the game on propane and spark-ignited engine packages for agricultural and other applications. The days of fussing over failed fuel system parts and hard-starting engines are over, and we can customize an engine package to directly fit customer needs.”

The Reliable Horsepower engine line is said to eliminate several of the high-failure-rate service parts associated with previous systems, increase user friendliness, and reduce maintenance time and costs. Pairing that with significantly better fuel economy and the ability to remotely monitor and control the systems allows Reliable Horsepower engines to offer optimal quality and convenience for irrigation, power generation, and other industrial power-unit needs.

For additional information or to contact a local dealer, visit *ReliableHP.com* and fill out the “contact us” form. To learn more about Woodward Inc., visit *Woodward.com/Home*. For information regarding the Propane Education & Research Council and engines available for agricultural and industrial use, visit *Propane.com/Agriculture*.

VIKING JOINS FOUNDATION’S TIME FOR TREES INITIATIVE

Viking Cylinders (Lincoln, Neb.), the North American Hexagon Regasco brand, has joined the Arbor Day Foundation for the launch of its Time for Trees initiative, a commitment to plant 100 million trees in forests and communities worldwide by 2022. The Arbor Day Foundation is uniquely positioned to support the reforestation efforts in California, Iowa, and Nebraska.

Time for Trees is supported by corporations, communities, and individuals, showcasing the simplicity of tree planting, whether in one backyard or at scale. As part of this call to action the Arbor Day Foundation is also inspiring five million tree planters to join in the initiative through existing partnerships and community programs. For additional information, visit *TimeforTrees.org*.

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DAVID R. SCHLEE

ILLINOIS COURT AFFIRMS DISMISSAL OF PROPANE EXPLOSION SUIT

On Nov. 4, the Illinois Court of Appeals affirmed the dismissal of a lawsuit arising from a 2013 explosion that destroyed a mobile home in Sublette, Ill. The court rejected claims that the propane supplier should have replaced a single-stage regulator, inspected the customer-owned piping, and provided additional customer safety literature. The case is *Maychszak v Brown*.

Guy Maychszak worked at the Woodhaven Lake Association, a residential development in Sublette. He was the public safety officer for the association. There were a number of mobile homes in the development, many of which were supplied with propane. As a public safety officer, Maychszak responded to all types of calls, including those for emergencies, medical issues, and fires. Prior to Oct. 13, 2013, he had responded to a few gas leaks at mobile homes in the development, and he had received some basic training from Woodhaven on how to respond to them.

HISSING NOISE

On Oct. 13, 2013, Maychszak received a dispatch for a possible gas leak at a trailer owned by Dionisio Brown and his wife, Liz Brown. The couple had just left Illinois to spend the winter in Florida, but they left the propane supply to their trailer on, with the furnace thermostat set to 50°F. Maychszak heard a hissing sound coming from the Browns' trailer. He detected a faint smell of gas, but he could not say whether the leak was coming from the tank or from the trailer. Based on his training, he turned off the valve on the propane tank. When

he did so, the hissing noise stopped.

Maychszak began an evacuation of the area, and he was yelling at people who had gathered nearby to move away from the trailer. At that point, the mobile home exploded. Maychszak was struck by debris, including "molten vinyl siding." His pants and shirt were on fire and he rolled around on the ground to try to put the fire out. He had serious burn injuries and subsequently received several skin grafts on his hands and arms.

The court rejected claims that the propane supplier should have replaced a single-stage regulator, inspected the customer-owned piping, and provided additional customer safety literature.

In the 1970s, the Browns had bought property at Woodhaven, and they purchased a trailer for the property around 1994. In 1994, the Browns also bought a 120-lb propane tank from Woody True Value Hardware, and they entered into an agreement under which Woody was to provide propane for the tank on a regular "keep-full" basis. Woody set the tank and connected it to the trailer's propane system, which supplied gas to the furnace and a stove.

OLD REGULATOR

Prior to Oct. 13, 2013, Woody last refilled the Browns' tank on April 25, 2013. On that day, Woody supplied 48 gallons of propane, filling the tank to 83% capacity. The delivery ticket from April 25 service contained safety warnings about

propane, and the tickets were given to the lot owner if they were home at the time. The driver observed nothing to indicate a potential leak in the system at the time of this delivery, and therefore no leak check was undertaken.

The pressure regulator on the tank was also observed at the time of delivery. It was noted that it was a single-stage regulator more than 15 years old. Woody had a policy to replace such regulators, but there had been no indication that it was operating improperly and so it had not been replaced yet.

SAFETY WARNINGS

Woody included propane safety warnings in newsletters that Woodhaven mailed to its residents. The warnings stated, among other things, that it was important for residents to monitor their propane tanks, that running out of gas can result in safety hazards, and that a leak check was required when a tank did run empty. Woody also provided propane safety brochures at its office and the brochures had similar warnings to those printed on service tickets.

The Illinois State Fire Marshal's office investigated the explosion and made a report. It concluded that the explosion was the result of a propane leak, but it could not determine the source of the leak.

However, Maychszak filed suit against Woody and others, claiming negligence in failing to inspect the Browns' propane system and in failing to properly warn about the hazards of propane. Woody filed a motion for summary judgment, seeking dismissal of the suit against it.

Maychszak responded with an affidavit and deposition testimony from an expert, who said that the gas leak at the Browns' home could have occurred in one of two ways: as a result of "substandard piping" or as a result of increased gas pressure stemming from the single-stage regulator. The expert argued that the piping under the Browns' home was copper tubing, which was a soft and bendable metal. No industry standard prohibited the use of copper tubing for gas, but because it was not as rigid as steel piping, it needed, according to plaintiff's expert, sufficient support. The expert said he believed the Browns' piping was problematic since it lacked support, had flared fittings, and the fittings were in concealed places.

The expert argued that continued "han-

The trial court ...held that there was no evidence of a regulator failure, so the fact that Woody did not replace it could not be a cause of the explosion.

dling" of the copper piping in the crawl space over the years, which occurred when Dionisio Brown turned a supply valve for the stove on and off, could result in a leak at the flare seals in the piping inside the home. Therefore, a gas leak may have occurred after he went under the home to turn the gas valve off prior to leaving for Florida.

Although Maychszak's expert thought it was "pretty likely" that the gas leak was related to the piping, he could not rule out an "overpressure situation" related to the regulator. The regulator was too damaged by the fire to know for sure. Therefore, the expert agreed there was no direct evidence that the regulator malfunctioned.

The expert added that Woody should have provided the Browns, as well as its other customers, with the propane safety warnings recommended by the Propane Education & Research Council (PERC). He said he believed the propane safety information that Woody supplied in the Woodhaven newsletters

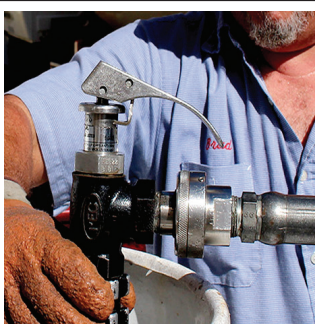
and on its service tickets was deficient because the warnings were not conspicuous, and because the language was not sufficient to warn homeowners of the dangers of residential propane use.

SUMMARY JUDGMENT

However, the expert could not say whether the Browns read any propane warnings or what, if anything,

the Browns would have done differently had Woody provided further warnings. In addition, he conceded that Woody had a PERC pamphlet with safety information available at its store.

The trial court granted Woody's summary judgment motion. It held that there was no evidence of a regulator failure, so the fact that Woody did not replace it could not be a cause of the



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PROPANE AND THE LAW

explosion. It confirmed that, since there was no notification to Woody of a leak prior to the explosion, Woody had no duty to inspect the customer-owned piping at the Browns' trailer. Finally, it held that Maychszak's failure to warn claim failed because there was no evidence that the Browns actually read the warnings or, that if they had read the warnings, they would have acted differently. Maychszak appealed.

KNOWLEDGE OF A DEFECT

First, the appellate court rejected the notion that Woody had a duty to inspect the copper piping in the crawl space under the trailer. It stated: "plaintiff cannot establish that Woody had sufficient knowledge of a defect in the Browns' piping." The plaintiff's expert agreed that copper gas piping was not prohibited, and there was "no industry standard [that] prevented the use of copper piping." Thus, it was reasoned, "the use of copper alone

did not put Woody on notice of a piping defect."

Also, the court found that there was nothing "demonstrating that Woody saw or should have seen a dangerous lack of piping support when it installed the propane tank." The court noted that the piping was under the trailer, and that "the record cannot establish that the piping was readily visible." Therefore, "without more, the general rule applies that a gas company may assume that a customer's pipes are sufficiently secure to receive gas."

The court next turned its attention to the regulator. It noted that "Woody owed a duty to replace the regulator," but it rejected the notion that Woody had to suspend propane service to the Browns until that was done:

"Nevertheless, we reject plaintiff's argument that Woody's duty to replace the regulator extended to a common law duty to discontinue gas service until the old regulator was replaced. While the regulator

was beyond the manufacturer's lifetime recommendation, there was no evidence that the regulator was malfunctioning, leaking, or was otherwise defective."

The court noted that plaintiff's own expert found that a leak in the customer-owned piping was "pretty likely," but that a regulator failure could not be ruled out. Thus, there was not enough evidence of regulator failure to allow a jury to consider that claim.

Finally, the court addressed and rejected the failure-to-warn claim. Since the plaintiff attacked the content of the warnings provided by Woody, the plaintiff had to show that the Browns actually read the warnings they were given. Since that was not done, the claim failed and could not be presented to a jury.

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



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WHERE DO WE GROW FROM HERE?

PAT THORNTON



Photos courtesy Callis Integrated Marketing (Sedalia, Mo.)

In June, the Missouri Propane Education and Research Council (MOPERC) wrapped up promotional activities for a model home at Lake of the Ozarks that featured propane appliances throughout. In partnership with developer Dave Leathers, the Propane Inspiration Home showcased the many benefits propane can provide for homeowners beyond space heating and hot water.

"The partnership was beneficial for all concerned," Steve Ahrens, MOPERC president, told **BPN**. "The developer's goal was to raise funds for a local food pantry through the sale of the home. MOPERC's goal was to generate video and photo assets that we could use in future marketing. We both gained a new appreciation for working with homebuilders and subcontractors to incorporate propane appliances."

A HOUSE IS BORN

The Inspiration Home opportunity came about through a conversation between Ahrens and Leathers, who also publishes lifestyle magazines from Cabo to Kansas City, including two that cover the Lake of the Ozarks region. "Dave has a fantastic product, and we have been longtime advertisers as the region is a great market for propane homes," Ahrens said. "When he mentioned his Inspiration Home project, our participation seemed like a very good fit."

The agreement called for the new home to feature a propane furnace, water heater, fireplace, stove, clothes dryer, outdoor grill and lighting, and a backup generator. MOPERC would provide funding to cover the acquisition, installation, and price differential on some appliances in exchange for the opportunity to promote the home and generate assets that could be used in other campaigns. Leathers would promote the home as well, holding open houses for local builders, real estate sales personnel, and home buyers, in addition to featuring the residence in his publications.

Strategically, the Council agreed to focus on

the “flame” aspects of propane homes.

“While they generate most of the load, furnaces and water heaters are not the most exciting part of the home to promote,” Ahrens said. “We wanted to ensure the ‘wow’ factor of a propane home—the comfort of a fireplace, the security of a backup generator, the livability of outdoor appliances, and the appeal of an upscale range. Too often, we sell the economics of space and water heating and not the aspirational, emotional appeal that is unique to propane.”

MOPERC’s inaugural Inspiration Home project was built around a \$150,000 outreach and education campaign that promoted the home and its specific features through social media, digital marketing, and print. Appliance installation and upfits added another \$45,000. Early on, the Council developed a *Welcome Home* magazine that was sent to all Missouri dealers that kicked off the concept of whole-home promotion. Today, images from the Propane Inspiration Home are used throughout the state’s *Welcome Home* marketing effort.

“This was an opportunity to showcase the whole-home environment by creating images of a propane lifestyle,” Ahrens said. “We wanted potential customers to imagine themselves in that setting. Our ‘Welcome Home’ theme reinforces that aspirational message.”

There were only a few hiccups during the Propane Inspiration Home project. “First, the home sold much more quickly than we had anticipated. We had hoped for a few more open houses to promote the home, but were happy that it found a new and very enthusiastic owner,” Ahrens said. “Second, we learned that we have work to do with installer education. We were able to fix a code issue before the house was sold. This showed we need greater outreach to subcontractors.” Additionally, the outdoor lighting did not get installed (“I blew the appliance budget on the Viking range,” Ahrens admits) and plans for the addition of a fire pit were scrapped when landscaping wrapped up early.

When the Propane Inspiration Home was completed, MOPERC donated \$1000 to the Share the Harvest charity in Leathers’ name. Once the photo and video work wrapped up, the Council began to consider how to extend the lessons learned on the project.



WHAT'S NEXT?

Results of the Inspiration Home project are still being evaluated, but have suggested a modified approach involving homebuilders. “We certainly know more today than we did before,” Ahrens said.

Currently, MOPERC is developing a new outreach called Propane HomePro. “We intend to generate the same assets and visibility as the Inspiration Home, but with more developers throughout the state and with a better handle on costs. We also will add an education component to reach the HVAC and installer techs who have such an important role in the safe use of our product.”

Through Propane HomePro, developers would receive financial assistance when installing certain appliances in a spec or model home. “We believe we can extend our resources by focusing on ‘last mile’ installations—those appliances that give a residence a ‘wow’ factor beyond the core load,” Ahrens said. “If the homebuilder is already installing a propane furnace and water heater in a showplace opportunity, we’d assist with an upscale stove or range, outdoor grill, a beautiful fireplace, and, most of all, a standby generator.”

Interest is growing in propane generators, he said, but the economics of installing standby power at an all-electric home are sometimes a problem. “Getting a generator on a customer wish list early will help to drive more propane appliances throughout the home,” Ahrens said. “With rolling blackouts in California, or with winter storms knocking down electric lines here this winter, we have a compelling case for propane generators. However, we need to tie them to initial construction rather than a later add-on.”

MOPERC will once again promote Propane HomePro projects with open houses and advertising including a dedicated web page for the sites including promotion of the homebuilder and appliances. The Council will also include an HVAC education component for the homebuilder and subcontractors, part of the offer of free training to all homebuilders who sign up to receive Propane HomePro information.

“Whether a homebuilder is participating in a propane build now or could be later, there is value in reaching contractors with proper installation and compliance information,” Ahrens said. “If they sign up to receive our emails, that qualifies them as a Propane HomePro and makes them eligible to receive classroom compliance training at no cost. This also develops a list of potential candidates for future projects.”

Missouri has a state regulation that requires compliance training for anyone who handles, stores, transports, or installs propane or propane-use equipment. Currently, MOPERC teaches about 600 HVAC students annually, so the training apparatus is already there. Ahrens sees Propane HomePro as linking the state compliance training with PERC’s online resources to ensure that more installers are knowledgeable

about important aspects of propane installations, from appliance placement to piping.

“The marketing benefits of the actual propane build are one important aspect, no doubt,” he said. “But the chance to get in front of homebuilders with propane benefits and safety is a real opportunity.” Once the program gets rolling, Ahrens sees the opportunity for special hands-on teaching opportunities at the build sites such as generator piping and placement, underground tank installations, and more.

Initially, builder compensation packages were estimated from \$25,000 to \$50,000 per project. “The Propane HomePro builder budget is \$100,000, so we are hoping to work with two to four contractors this year. We have three right now that will probably exhaust the budget, but they are nicely spaced across the state and will have different levels of homes, which is a plus.”

Promotion costs will mirror last year’s Inspiration Home project. Providing tech education is another expense, but that cost has not been determined yet. “Ideally, we’d work interested techs into our existing schedule to eliminate the need for additional classes, but we are prepared to ramp this up as necessary,” Ahrens said.

2020 HOMEPRO PARTNERS

Missouri’s marketers have already been active in contacting local homebuilders who may be interested in a Propane HomePro partnership.

One potential new partner is Joplin, Mo.-based TR Smith Construction, which works closely with Charlie Neidert, president of Neosho, Mo.-based Al’s Gas. “There’s no need to sell them. They’ve always been pro-propane,” Neidert said. “We need more builders like them.”

Julie Smith, a co-owner of TR Smith Construction along with her husband, Tony, said propane is a key component of their personal home and they believe in it strongly enough to promote propane homes to their customers. “I wouldn’t live in an electric home,” Smith said. “With the Missouri cold that comes about every winter, gas heat provides a thorough and much higher quality of warmth than electric heat in our climate.”

She acknowledges many contractors are attracted to building

electric homes because of potentially lower building and installation costs. “They aren’t saving their homebuyers any money in the long run, though. The cost of electricity and gas never go away during the time of home ownership,” Smith said. “Over time, the utility bills will speak for themselves and propane will save them money. We want our buyers to be happy with their home long-term and an energy-efficient home running on propane brings about not only happiness, but also pride.” Of the 30 to 40 homes TR Smith builds each year,





90% of them are custom homes. As a result, Smith spends plenty of time with each buyer discussing the attributes they want in their home. "With a little education, customers quickly become believers in a propane home as the way to go," she added. "Energy efficiency is a trend that consumers are really interested in. Propane excels versus electric in energy efficiency and cost savings." Smith also noted that the various rebates available from MOPERC as well as the national PERC are added cost-saving incentives for building with propane.

Larry Eggen, a manager for MFA Oil in Warrensburg, Mo., would like to see a propane-fueled model home in his area. "People need to see the propane-powered features for themselves. This is the 'Show-Me' State, after all," he said. "Once people experience the propane-powered home firsthand, they're really sold. Once they have used a propane dryer, you couldn't give them an electric dryer."

Eggen's son-in-law is a builder in the Warrensburg area and is in the process of building a subdivision that will be a gated community of \$600,000 to \$700,000 houses with many features fueled by propane. "With proper training, propane appliances and the piping are very easy to install," Eggen said. "I'd like to see more plumbers and other technicians get the training and experience so that they feel they are able to install propane-powered features in upscale homes. I think all too often some plumbers talk customers out of propane features because they don't like to install the gas lines or just don't have the experience. It is time for us to help them to get more interested in doing it."

Eggen acknowledges there is a fear of gas among some consumers. "I hear it from some customers, but frankly as a volunteer firefighter, the fire department goes to more electric fires than gas fires," he explained. "We need to tell our story [by providing customers an] opportunity to visit and experience propane-powered homes throughout the entire state. I think once people experience features like gas logs, the true quality of gas heat from a furnace, and heated water from a tankless water heater, they will be sold." Eggen believes a few model homes should always be accessible within an hour of high-growth areas, beyond the natural gas lines. These could do wonders for consumer buy-in to the benefits of propane. "We could really add a lot of propane load for our retail

companies by getting people out to walk through a propane-powered home."

A third potential partner in northern Missouri is adding homes in a rural setting that is perfect for propane. "We haven't closed the loop yet, but we are interested to talk to the builder about partnering with us to highlight the benefits of his proposed development," Ahrens said. "This will give us a nice, diverse inventory of images, testimonials, and assets."

MAKING THE CONNECTIONS

While MOPERC develops its Propane HomePro program, the Council continues to work closely with Sedalia, Mo.-based Callis Marketing to guide the next phase of the "Welcome Home" outreach and education campaign.

"We're keeping the 'Welcome Home' theme in our state marketing," said Ahrens. "This is in addition to PERC's 'Propane Can Do That' theme line. We don't want to overthink it, but combining the aspirational message plus the national tagline seems to make sense for the residential market."

Cliff Callis, president of the marketing firm, confirms that the initial Propane Inspiration Home generated a variety of creative assets that could be incorporated into videos, magazines, social media, and other means that tell the propane story for those who did not visit the home. "We are moving forward with a very flexible plan. We can fine-tune our approach as we move forward and learn more about what is working and what is not with the marketing efforts," Callis said. Regardless of details, he sees the Inspiration Home project and its successor program as WIN-WIN-WIN opportunities:

- CONSUMERS WIN with a nice new propane-powered home.
- BUILDERS WIN with financial support, free training, and installation support. They also get help to sell the home.
- RETAIL PROPANE MARKETERS WIN with good new customers and increased propane load.

Ahrens concludes that the bottom line is to add more propane homes and a greater variety of burner tips statewide.



The newly renovated fireplace showroom displays gas logs, inserts, stoves, and mantels in a way that helps customers visualize them in their own home.

APPLIANCE SHOWROOMS THAT FEEL LIKE HOME

STEVE RELYEA

The office and showrooms of Coombs Gas Co. (Blue Mountain, Miss.) were recently renovated by people who have the eye of a designer as well as a deep knowledge of the propane industry. The work was done by Braxton and Elizabeth Coombs. Braxton is the owner and president of Coombs Gas, Elizabeth is the owner of interior design firm Modern Antiquity, and together they are co-owners of Modern Antiquity Homes, a company that specializes in the customization, restoration, and renovation of homes for rent or nightly stay.

"We have a passion for restoring older homes; we restore five or six homes a year," Braxton Coombs tells **BPN**. "We really enjoyed finding a bridge between that and our propane company. The style of Modern Antiquity Homes definitely influenced our showrooms."

The married couple returned to Blue Mountain—their hometown—in October 2018, when Braxton purchased the propane and appliance retailer founded by his grandparents. Butch and Von Coombs started the company in 1969.

Braxton and Elizabeth had met during high school and then gone to college at Mississippi State University. Braxton

earned degrees in business and economics, and Elizabeth graduated from the College of Architecture, Art, and Design. Their careers then took them to Washington, D.C., and Atlanta. Braxton became a management consultant with firms like Accenture, SunTrust, and Ernst & Young. Elizabeth, an interior designer, did many residential and commercial projects.

Braxton's purchase of Coombs Gas gave them an opportunity to return to their hometown. They soon launched Modern Antiquity Homes as well, purchasing and refurbishing homes not far from Coombs Gas in northeast Mississippi.

THE FEEL OF HOME

While they worked together to renovate the Coombs Gas facility, a major focus was to revamp the showrooms. The last time the place had been remodeled was around 1975.

The building is the same one Coombs Gas began in 50 years earlier. At that time, it included four spaces occupied by four separate businesses: Coombs Gas, a restaurant, a barber shop, and a laundromat. Braxton's grandparents purchased the other spaces and incorporated them into Coombs Gas.

Today, the facility has three parts: an area to greet customers, plus two wings. One of the wings is now a fireplace showroom and the other is an appliance showroom.

Braxton and Elizabeth Coombs started the remodel in March 2019. To keep Coombs Gas operational during the project, they did one half of the building at a time. The main purpose of revamping the showrooms was to support the sale of appliances.

"One thing we wanted to do was develop the showrooms so that they would show how these appliances could look and operate inside your home," he explains. "We wanted to look different from a big-box store and give more of a feel of what these could look like in a home."

PERSONAL SERVICE

Coombs Gas sells both propane and natural gas appliances. (What do the Coombses use in the homes they restore? It depends on the location. Some of the homes are closer to town and plumbed for natural gas; others are more remote and connected to propane.) The appliances available at Coombs Gas include fireplace inserts, gas logs, refrigerators, freezers, washers, grills, and gas lanterns.

"Coombs Gas has always offered appliances, but we haven't always actively promoted them," he says. "Over the last 12 months, we have focused on first the showroom and now really promoting the appliances."

Why the focus on appliances? "Most people have them," he explains. "And, as a family-owned and -operated business, we are in a unique position to provide personalized service. Since we provide good service and people know us, they really want to do business with us."

Most people who buy appliances come in to see them first, but if someone calls and asks for their best price, Coombs Gas will give the price over the phone.

"Pricing is always going to be similar; the margin opportunity is not great," Coombs notes. "We differentiate ourselves with service."

When the Coombses lived in Washington, D.C., they bought appliances at a big-box store. They experienced the two- to four-hour window for delivery; calling the automated system to reschedule; and having the big-box store drop off, but not install, gas appliances. It's different at Coombs Gas: "We can do the whole job, provide personal service, and react quicker."

Appliances are one part of the Coombs Gas ecosys-

tem, Coombs says. The others are generators and propane sales for both residential and commercial customers.

The company began selling generators 15 years ago and has seen steady growth over the last 10 years. It sells generators to both residential and commercial customers. "Generator sales have really increased over the last 12 months," Coombs reports. "Year on year, we've had a 50% increase in home generators."

One reason for this growth is greater awareness of whole-home generators and their affordability: "They're not just for commercial buildings; they are affordable for the average family," he explains. Another reason is the aging population: "People who are aging or have health concerns want the security of having power to operate equipment or to operate as they need to in their home." A third reason for growth in generators was a recent storm that passed through Mississippi: "We had high winds that downed power lines. But even before that, we had growth."

EFFICIENCIES AND NEW APPLICATIONS

Coombs sees opportunities in propane sales, too. Together with the sale, delivery, and installation of propane and natural gas appliances and generators, Coombs Gas offers propane delivery and propane and natural gas pipe installation. The company serves customers across Mississippi and Tennessee. Before purchasing the company, Braxton Coombs looked at the industry and liked what he saw, applying the skills he gained during his years as a management consultant.

"Consulting was a phenomenal experience," he says. "I would identify opportunity areas to make companies better through growth, cost reduction, and other means."

Surveying the propane industry, he sees three trends. One is consolidation: "There are not as many independents as there



The Coombs family at the Coombs Gas 50th Anniversary Celebration. From left, Carson (grandson), Von (grandmother), Butch (grandfather), Tanya (Chris's wife), Chris (son), Braxton (grandson), Elizabeth (Braxton's wife), Allie (great-granddaughter), Lily (great-granddaughter), Abbey (Adam's wife), and Adam (grandson).



People gathered to watch the live music at the Coombs Gas 50th Anniversary Celebration in Blue Mountain, Miss., in September 2019.

were 20 years ago,” he notes. Another is technology: “Technology will continue to change the dynamics of this industry, including efficiency and the safety functionality of trucks and equipment. We’re seeing that everywhere, in every industry.” A third trend is new applications for propane: “We’re seeing different uses of propane, including commercial applications like forklifts.”

“I grew up around the business,” Coombs adds. “Since I was 8 years old, I had always been around this business and had a love for it. When I saw an opportunity to move to my hometown, continue the legacy of my grandparents, and service customers, I leapt at it. I am excited and grateful to be here and to have so many great individuals here with me.”

CONTINUING THE LEGACY

Braxton is the fourth generation of Coombs men to be in the propane business. Butch, the cofounder of Coombs Gas, was the second. Butch’s father and uncle owned and estab-

lished Coombs Bros. Gas. Butch and Von worked there before his family sold the business and he began his own venture into the propane business. His son, Chris, and his grandson, Braxton, later entered the industry as well.

Butch, Chris, and Braxton were among those who gathered on Labor Day, Sept. 2, 2019, at a Coombs Gas 50th Anniversary Celebration to which the community was invited. The celebration included the opening of the renovated facility together with a car show, live music, food, and activities for kids.

“It was a fun environment for people to come and enjoy,” Coombs says.

“A thousand people came, which is great for little Blue Mountain. My grandparents know so many people, and many of our employees have been with us for 10 or 20 years, so there was a lot of community involvement.”

Since his return to Coombs Gas, the renovation of the facility and the increase in the company’s online presence have been his top projects. The online presence now includes social media, online ads, and accepting online payments.

Speaking Dec. 3, Coombs noted that the company was well into the industry’s crunch time. After dealing with this winter demand, he will undertake a new project: “The next step is to upgrade our CRM package to incorporate new functionality, like contracts, routing, management, and paperless. There are a lot of new tools available and we plan to implement them in 2020.”

In the meantime, the revamped showrooms, the renewed promotion of appliances, and the other changes are keeping a steady flow of new and existing customers coming to the facility.

“People casually come in and see what’s happening at Coombs Gas,” Coombs says. “We have a lot of regular traffic. Many people pay online, but many others come in to pay their bill or just have a conversation. We are also advertising to create awareness, so new people stop by to check out what’s going on.”

A history of Coombs Gas and additional information about the company can be found at coombsgas.com.

A portfolio of custom interiors created by Modern Antiquity is available at modernantiquity.com.

Photos of homes being restored by, or available for rent or nightly stay from, Modern Antiquity Homes, are available at modernantiquityhomes.com. ■



A dedicated appliance showroom gives customers a unique shopping experience in contrast to that of a big-box store.



iStock.com/qingwa

WEBINAR, COURSE SHOW PROPANE'S VALUE TO OFF-GRID HOMES

STEVE RELYEA

Propane can make a valuable contribution to off-grid homes. It can do so by fueling a generator to produce electricity as well as by powering household appliances in order to reduce the electrical load.

These were among the messages delivered in a webinar that introduced a new Propane Education & Research Council (PERC) course on off-grid homes. The webinar was presented by James (Jamie) Lyons, senior consultant at Newport Partners LLC (Davidsonville, Md.). Lyons is a registered Professional Engineer in the state of Maryland. Newport Partners is a company that provides a full range of professional consulting, analytical, and technical services to the building industry.

The webinar, "Energy Options for Off Grid Homes: The Role of Propane in Off Grid Designs," is meant for construction professionals with and without experience with off-grid homes; energy suppliers; and others interested in the topic. It was held Dec. 12, was recorded, and is now available on YouTube.

Off-grid homes are completely independent of traditional utilities, including the electrical grid and natural gas distribution

lines. Some homeowners live off the grid because they have chosen a location that is too remote or too expensive to connect to the grid; others want independence from the utilities.

"It's not a one-size-fits-all market," Lyons says. "There are many motivations."

The webinar and the course cover the three components of the energy system of an off-grid home: onsite electric energy generation; battery storage; and an off-grid generator.

ELECTRIC ENERGY GENERATION, STORAGE

The electric energy generation is typically provided by solar photovoltaics (PV). The battery storage stores electric generation from both the PV and the generator. The off-grid generator charges the batteries when the PV system output isn't enough.

"Home use and PV generation are a total mismatch, so you need storage," Lyons says. "Having PV is not like being connected to the grid. There's something called the 'solar coaster'—PV production varies by month and the number of hours of daylight without cloud cover. Because PV is intermittent, it can't always keep the batteries charged, so many off-grid



Photo courtesy PERC

tricity. These include wall heaters and ranges. They are cost-effective when compared to investing in more PV and battery storage capacity. Lyons suggests that builders make certain that if these appliances do have an electrical load, it is low. "Specific off-grid appliances use little or no electrical consumption," he says.

Together with these propane-centered strategies, the webinar and the course cover other aspects of energy systems; building envelope design; and homeowner behavior. They present several other strategies that can be used by builders of off-grid homes. One part covers the use of other renewable energy sources, like wind and running water. Another segment focuses on reducing the electrical load by including higher performance building envelopes, high-

homes use a generator to recharge the battery at times when the renewable system isn't enough."

The ability to enjoy modern conveniences while living off the grid has been driven by several developments in recent years. These include the falling cost of PV, the increased availability of residential battery storage, and the development of propane generators specifically designed for off-grid applications.

"PV prices have dropped by a factor of two or three," Lyons says. "Propane generators are available from multiple manufacturers," he adds. "This has created more options and more cost competitiveness."

Propane is a good choice for fueling generators and appliances in the off-grid home because of its portability, its ability to be stored for long periods of time, and its ability to power other thermal loads in the home.

There are now generators specifically designed for off-grid applications. These off-grid generators are not connected to the home; instead they recharge the battery bank. They feature long duration between oil changes and quiet operation compared to portable or standard backup generators.

"Off-grid generators generally use propane because you can store enough onsite for months or even years," Lyons says. "Diesel might be considered, but propane is more stable, has fewer storage issues, and is more versatile."

REDUCING ELECTRICAL LOAD

In addition to fueling the generator, propane can make another contribution to the off-grid home. When propane is used for thermal loads like space heating, water heating, cooking, and clothes drying, less electricity is required.

"Some loads in the house can be shifted from electricity to propane to ease the load on the renewable and battery system," Lyons notes.

Just as there are off-grid generators, there are specific off-grid appliances that run on propane and use little or no elec-

tricity. These include wall heaters and ranges. They are cost-effective when compared to investing in more PV and battery storage capacity. Lyons suggests that builders make certain that if these appliances do have an electrical load, it is low. "Specific off-grid appliances use little or no electrical consumption," he says.

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efficiency electrical components, and energy-conscious homeowner behavior. The webinar and the course also describe existing off-grid projects and what can be learned from them.

"Many or most of these homeowners will be very energy conscientious," Lyons says. "Generally they will be cognizant of their energy habits, but there will be a learning curve. Adapting how they use appliances during cloudy weather is one of many things that go into an off-grid home's behavior and how it operates."

This webinar, "Energy Options for Off Grid Homes: The Role of Propane in Off Grid Designs," is available on YouTube: [youtube.com/watch?v=SN0CXFr2LKQ](https://www.youtube.com/watch?v=SN0CXFr2LKQ).

The new PERC course introduced by this webinar, too, is called "Energy Options for Off Grid Homes: The Role of Propane in Off Grid Designs." It is certified for continuing education credits by the American Institute of Architects (AIA), the National Association of the Remodeling Industry (NARI), the National Association of Home Builders (NAHB), and the U.S. Green Building Council (USGBC). The course is available at PERC's Propane Training Academy: <https://www.propane-trainingacademy.com/course/6671/aia/architecture/energy/propane-systems/utilities/aia/gbci/nahb/nari/energy-options-for-off-grid-homes-the-role-of-propane-in-off-grid-designs#>

"We want to engage building and design professionals on topics that are intriguing to them," Bryan Cordill, director of residential and commercial business development at PERC, told **BPN** after the webinar. "The new course is designed to pique their interest in off-grid design opportunities and help them serve their customers. It's a gateway to conversations about using propane in their designs. And as more homeowners face living on a grid that fails them, these tools help architects design projects that perform well, especially in times of public safety grid shutdowns."

The new webinar and course join other content on this topic published by PERC. For further information, search for "off grid" on PERC's website: [propane.com](https://www.propane.com).

GRAIN DRYING DEMAND, EARLY COLD SPAWN SUPPLY CHALLENGES

PAT THORNTON

Heavy rains produced record flooding in the Midwest in early 2019, wreaking havoc in communities and on farms. Sustained precipitation caused marked postponements for crop seeding in the spring, and many acres weren't planted at all. Fallout from the flooding hit again in the fall and produced severe propane distribution constraints throughout America's Breadbasket.

Farmers who earlier struggled for months with swamped fields, fewer planted acres, and commodity price uncertainty now endured the multiple challenges of a delayed, wet harvest and the early onset of cold temperatures and snowfall. Mother Nature determined that record levels of prompt propane were needed to dry sodden grains at harvest time, and just for good measure swept the Heartland with cold and snow so space heating demand for people and farm animals alike would ramp up concurrently.

"A multitude of factors contributed to the supply challenges in the Midwestern states," observed John Powell, senior vice president and head of Kansas City-based Crestwood Services' Marketing, Supply, and Logistics Group. He said these included refinery turnarounds and outages, unexpected and extended colder-than-normal weather, a lack of contingency storage barrels, and strong crop drying demand due to a late planting season. Adding to the harvest woes were the high moisture content of corn coming out of the field, allocation on pipelines, and contingency supply points 50 to 200 miles further away than normal. All these conspired to stretch trucking capacity. And to boot, Canadian National railway workers called a strike and walked off the job, stranding propane railcars along its network.

"The colder-than-normal start to the winter season caused a dramatic increase in demand, both for heating and crop drying, along with several production issues, creating the perfect storm for a short-term supply shortage," Powell adds. "Generally speaking, the supply constraints are now largely resolved."

TO THE RESCUE

All that being said, marketer frustration mounted, with significant irritation directed at the wholesale side. Noted by several in Iowa was a reported change in policy by one leading wholesaler. "Some producer/wholesalers are opting out of doing small contracts and spot loads for retail propane marketers," said Marty Lerum, managing partner at Propane Resources in Mission, Kan. "This puts more risk on the retail propane marketer. While we produce more propane than ever before in the U.S., the propane distribution system is actually less flexible to deliver to the retail propane industry."



During the retail challenges in late October and November, Deb Grooms, CEO of the Iowa Propane Gas Association, made two trips to Washington, D.C., on behalf of Iowa marketers. She is shown here on the left during her meeting at Sen. Joni Ernst's office.

"My phone is ringing a lot less. It was a fairly quiet weekend," said Deb Grooms, CEO of the Iowa Propane Gas Association, just after Thanksgiving. "No one called to say people or animals are cold, but there remains a lot of corn to dry." Grooms, who spent most of late October and all of November dealing with retail challenges, made two trips to Washington, D.C., on behalf of Iowa marketers. Although she said she was finally seeing light at the end of the tunnel, for her association membership December still brought with it difficulty in procuring product. There was, however, a sense the perfect storm was steadily coming to an end.

U.S. Department of Agriculture data obtained and distributed by the National Propane Gas Association (NPGA) estimated the U.S. harvest was 86% complete as of Nov. 25. A five-year average for Iowa shows the crop usually at 97% complete by that date. "Iowa bore the brunt of the challenges," said Jeff Petrash, NPGA vice president and general counsel.

NPGA MEETS WITH FERC

Through numerous discussions with Grooms, Iowa Gov. Kim Reynolds and her staff, and the Iowa congressional delegation, Petrash and NPGA staffers were able to arrange a meeting with the Federal Energy Regulatory Commission (FERC) Nov. 25. FERC is the government agency that regulates the interstate transmission of electricity and movements of fuels. For only the second time in history the agency worked with pipeline operators to expedite propane batch deliveries to Iowa. It acted in a similar manner during the winter 2013-2014 logistical difficulties.

A Nov. 27 memo of talking points for state propane associations prepared by NPGA stated that FERC had initiated an alternative dispute resolution process with pipeline companies on Nov. 19. Shippers and their representatives were therefore able to explore actions to alleviate propane pipeline constraints in the Midwest. Accepted was a proposal from Enterprise Products (Houston), owner and operator of many U.S. pipelines, to provide emergency transportation of propane to the Midwest for a 30-day period.

In addition, a Nov. 25 FERC meeting that involved representatives of Enterprise TE Products Pipeline Co. LLC, ONEOK North System LLC, NPGA, the Iowa Propane Gas Association, the Association of Oil Pipe Lines, and shippers was held to examine possible actions. NPGA thereafter reported that Enterprise would file to extend its emergency propane service. It also reported that ONEOK would file a tariff revision temporarily waiving restrictions on its allocation policy to allow qualified shippers to transfer allocated capacity, thereby facilitating prompter shipments. The FERC discussions were confidential. Further details were not released.

Meanwhile, NPGA reported the Federal Motor Carrier Safety Administration would continue to lift hours of service restrictions for Midwest states, including Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin through Jan. 10.

By early December, whether through warmer temperatures, the end of crop drying drawing near, FERC actions, or likely a combination of all, Petrash said he noticed his email inbox

was no longer flooded. "Since March of 2019, Sarah Reboli, Lesley Garland, and I had been watching the Midwest crop situation along with PERC's Michael Newland, who oversees ag issues," he said. "We have been communicating with FERC, the Midwestern Governors Association, NASEO [National Association of State Energy Officials], our state propane associations, and our membership about concerns throughout the year. We've stayed in regular communication with these organizations since the problems in 2014."

At the same time, NPGA issued talking points directed to consumers, government officials, and media, namely, there is not a propane shortage in the Midwestern United States. There are limits on the safe transportation of propane from supply points, as well as limits on pipeline capacity. The U.S. continues to be a net exporter of propane and there is more than enough to satisfy customer demand. Talking points also observed that some propane marketers had sold up to five times more propane over a month's time compared to the same time a year earlier. The deliveries were primarily for crop drying and other agricultural heating needs, as well as serving the needs of residential and commercial customers.

NPGA emphasized it is important for consumers to communicate with propane suppliers in advance to ensure they have what is needed, when it is needed, especially if they do not have a contract with a supplier or have not scheduled deliveries. "To understand the demand from corn and grain drying, consider that your typical home that uses propane for space heating, water heating, and cooking might use around four to five gallons every day," the association explained. "But some of these grain dryers are using nearly 18,000 gallons every day. That volume of gas requires two tractor-trailer loads of gas every day."

CHALLENGES AND CONCERNS

Jay Christie, energy development specialist at New Century FS (Grinnell, Iowa), is president of the Iowa Propane Gas Association. He said he and the association leadership took seriously the decision to contact Iowa's governor and the state's congressional delegation to seek help. "We don't want to ask for help unless it is really needed, and in this case help was definitely needed."

He pointed out that northeast Iowa was hit the hardest. One company slammed was Three Rivers FS (Dyersville, Iowa). Dani Ling, energy marketing manager, agreed that it was a tough fall. "We've had days where we could have used 25 loads but only got 13 loads," she said. "We averaged about 13 loads per day in November and had trucks going to Monee and Morris near Chicago; Conway and Hutchinson in Kansas; and Oklahoma and Arizona." In 2014, Three Rivers FS even trucked in some loads from Texas.

Ling added the company rationed propane in some areas this fall. "There were days we had to shut down some dryers to make sure home heat and hog house customers were taken care of. We sometimes limited drivers to delivering no

RETAIL COMPANIES		Bus. Days	Bus Days in November	DAILY TREND REPORT								
Nov-19		19	19									
Company 1	Sale	Propane	Trend of Sale	Trend of Sale	Trend of	Propane			Fee Income	Fee		
	Gallons					Purchase	Gross	Propane				
		Sales \$	\$/Gal	Gal.	\$	Cost \$/Gal	Margin \$/gal	Gross Margin \$	\$	\$/Gal		
11/1/19	12,828	\$17,660	\$ 1.377	12,828	\$ 17,660	\$ 1.377	\$ 0.699	\$ 0.678	\$ 9,575	\$ 40	\$ 0.003	
11/4/19	14,152	\$20,267	\$ 1.432	13,490	\$ 18,964	\$ 1.406	\$ 0.715	\$ 0.691	\$ 10,562	\$ 43	\$ 0.003	
11/5/19	10,507	\$15,174	\$ 1.444	12,496	\$ 17,700	\$ 1.417	\$ 0.721	\$ 0.695	\$ 7,842	\$ 886	\$ 0.071	
11/6/19	6,594	\$10,110	\$ 1.533	11,020	\$ 15,803	\$ 1.434	\$ 0.721	\$ 0.713	\$ 4,922	\$ 63	\$ 0.006	
11/7/19	9,586	\$14,233	\$ 1.485	10,734	\$ 15,489	\$ 1.443	\$ 0.745	\$ 0.698	\$ 7,155	\$ 432	\$ 0.040	
11/8/19	5,537	\$8,458	\$ 1.528	9,867	\$ 14,317	\$ 1.451	\$ 0.745	\$ 0.706	\$ 4,132	\$ 43	\$ 0.004	
11/11/19	7,762	\$12,572	\$ 1.620	9,567	\$ 14,068	\$ 1.470	\$ 0.745	\$ 0.726	\$ 5,794	\$ 92	\$ 0.010	
11/12/19	12,365	\$18,242	\$ 1.475	9,916	\$ 14,590	\$ 1.471	\$ 0.789	\$ 0.682	\$ 9,229	\$ 698	\$ 0.070	
11/13/19	6,643	\$10,847	\$ 1.633	9,553	\$ 14,174	\$ 1.484	\$ 0.816	\$ 0.668	\$ 4,958	\$ 77	\$ 0.008	
11/14/19	7,288	\$12,399	\$ 1.701	9,326	\$ 13,996	\$ 1.501	\$ 0.853	\$ 0.648	\$ 5,439	\$ 463	\$ 0.050	
11/15/19	5,668	\$9,582	\$ 1.691	8,994	\$ 13,595	\$ 1.512	\$ 0.853	\$ 0.659	\$ 4,231	\$ 95	\$ 0.011	
11/18/19	9,808	\$17,202	\$ 1.754	9,062	\$ 13,896	\$ 1.533	\$ 0.853	\$ 0.680	\$ 7,320	\$ 199	\$ 0.022	
11/19/19	6,177	\$11,558	\$ 1.871	8,840	\$ 13,716	\$ 1.552	\$ 0.853	\$ 0.699	\$ 4,611	\$ 631	\$ 0.071	
11/20/19	5,006	\$9,389	\$ 1.875	8,566	\$ 13,407	\$ 1.565	\$ 0.853	\$ 0.712	\$ 3,737	\$ 103	\$ 0.012	
11/21/19	4,473	\$8,146	\$ 1.821	8,293	\$ 13,056	\$ 1.574	\$ 0.853	\$ 0.721	\$ 3,339	\$ 671	\$ 0.081	
11/22/19	3,518	\$6,426	\$ 1.827	7,995	\$ 12,642	\$ 1.581	\$ 0.853	\$ 0.728	\$ 2,626	\$ 67	\$ 0.008	
11/25/19	5,227	\$9,316	\$ 1.782	7,832	\$ 12,446	\$ 1.589	\$ 0.853	\$ 0.736	\$ 3,901	\$ 82	\$ 0.010	
11/26/19	3,797	\$7,275	\$ 1.916	7,608	\$ 12,159	\$ 1.598	\$ 0.853	\$ 0.745	\$ 2,834	\$ 386	\$ 0.051	
11/27/19	6,431	\$10,451	\$ 1.625	7,546	\$ 12,069	\$ 1.599	\$ 0.853	\$ 0.746	\$ 4,800	\$ 1,684	\$ 0.223	
Total November	143,369	229,307	\$ 1.599					\$0.746	\$107,006	\$6,755	\$ 0.047	

A Daily Trend Report used by Propane Resources in retail management for a business in the Midwest. Based on trending data, a decision was made to raise prices that were not fixed price sales during the month of November.

KEY NUMBERS TO WATCH VARY BY COMPANY AND CURRENT GOALS

PAT THORNTON

Recent supply challenges in Iowa and across the Midwest serve as a reminder that retail propane marketers can enjoy much greater success if they are making decisions based on real-time market knowledge. "Buying the cheapest posted price on a given day isn't always the best strategy," said Marty Lerum, managing partner at Propane Resources (Mission, Kan.). "Supply security is also extremely important, even if it means paying a little extra."

Lerum feels that retail marketers need to be aware that with a changing marketing environment, some producer/wholesalers are opting out of doing small contracts and spot loads for retail propane marketers. "They are focusing more on selling larger volumes to larger buyers that will guarantee a rate of return on their investment," he said. "This puts more risk on the retail propane marketer. While we produce more propane than ever before in the U.S., the *propane distribution system is actually less flexible* to deliver to the 'retail propane industry.' Investments have been made to redirect the flow of propane to the export market and the retail propane market and the companies that have made those investments need a return on those investments! Now in December we have propane prices in Conway and Mont Belvieu at 50 cents per gallon and propane postings in parts of the Midwest from \$1.00 to \$1.90 per gallon. There is a reason for that and if you are a propane retailer and don't understand why, we'd advise finding someone that can explain to you how to avoid the latter in the future."

Managing supply both for retail companies operated by Propane Resources as well for as other clients, Lerum believes that while there are key numbers, such as EBITDA (earnings before interest, taxes, depreciation, and amortization), that every business owner should track, the key numbers for retail propane marketers will vary, usually based on the level of sophistication of the company and the type of customers they serve. "For retailers, business goals should tie to key numbers that should be monitored. Each strategy for growing revenue will have key numbers that should be monitored."

GROSS MARGIN

"Gross margin is king," said Walt Colburn, an analyst who assists Lerum in tracking key numbers. "By the time you are doing annual financials, it is too late to learn that you are losing money." Colburn tracks the gross margin for all profit centers for each retail operation. "The recent grain drying demand is a good example of a profit center that should be tracked," he said. "It is easy for retailers to get caught up in the quick demand and needs of the farmers. All costs, including the propane, delivery, administrative expenses, tanks in the field, and other equipment, must be considered. This will help in deciding on future marketing programs for grain drying. It may be determined that your cost to service a customer is not allowing for enough gross margin to make some grain drying accounts worthwhile. Sometimes it's better to let a customer

find another supplier so you can focus on the profitability in other areas of your business.”

“Too much investment in high-volume, low-margin accounts often can cause problems in the retail propane industry,” Lerum said. “The desire to increase gallons regardless of gross margin is a common bad habit.” He noted that many successful retailers have mastered the importance of owning the tanks at the customer site and being able to fill them at any time. “Let’s say a retailer has 1400 residential customers, each with a 500-gallon tank. Considering you could fill each tank to 85%, you can control about 600,000 storage gallons in the field instead of working with only 30,000 to 60,000 gallons of plant storage,” he explained. “The control over 600,000 gallons of customer storage will lower a propane retailer’s delivered cost! For propane retailers, getting to the point where they can control their customer’s storage will take marketing programs that their employees can quickly and easily explain the benefits to their customers, such as Budget Plans with an incentive for the customer to join. Tracking key numbers in getting to this point is important. There are many benefits to building company value and increasing efficiency associated with owning and controlling the delivery schedule to tanks at customer sites.”

“Having key numbers at your fingertips in real time can help you when faced with the possible need for a new employee, a new bobtail, or many other investments,” Lerum said. “If you can’t justify the investment, it is better to know that on the front end and avoid wasting time and money.”

CUSTOMER RETENTION

In Michigan, Chris Caywood, president of Caywood Propane Gas, Inc. (Albion, Coldwater, and Hudson, Mich.) says tying the key numbers he looks at to his goals has been a strategy since he came back to run the family business six years ago. “We have shifted our focus more heavily toward customer service, digital migration, and value-pricing,” Caywood said. “We believe that sustainable, profitable growth ultimately depends more on customer retention than new customer

growth. That’s why run-outs, delivery performance, on-time service call arrival, answering the phone, first-call resolution, and the convenience of online options are so important. Almost every retailer says they have great service at great prices. Fact is, most retailers really have no empirical idea whether they do.”

“Data is helpful only if it helps you understand whether you’re making progress toward your goals. For example, most retailers have a basic idea of their gallons/delivery and gallons/hour,” Caywood said. “We know exactly how much our margin improves when we improve our gallons/hour, so we can evaluate the financial return on investments that drive gallon/hour increases. Our ultimate goal is to empirically connect these metrics to customer service performance and customer retention using some basic regression models.”

Caywood acknowledges that this all sounds kind of nerdy, but he doesn’t feel there is anything nerdy at all about figuring out how much each operating button he and his staff push moves the customer retention needle. “We’re excited about figuring out which buttons are more important, but we’re even more excited about discovering which buttons really don’t move the needle at all or, worse yet, adversely impact retention.”

“The key tools are technology, engaged employees, and staying on message,” Caywood said. “When we started down this road five years ago, we did not have the technology tools or level of employee engagement that we have today. We invested heavily in both. Five years ago, we did not have a health care plan, retirement plan matching, profit-sharing contributions, or paid time off. You can spend a fortune on technology, but you’re not going to get much out of it if you don’t have the talent to use it to its fullest. You also need to spend time cheering, coaching, and reminding the team why you’re doing it. We’ve only recently recognized the importance of the cheering, coaching, and reminding and have started investing more time in it.” ■

WINTER CHALLENGES

CONTINUED

Continued from **Page 30**

more than 600 gallons per day, short-filling customers with enough to get by for a short period.” She acknowledged some efficiencies were lost between the cost of extra trips associated with short-filling and spending 20 cents to 50 cents per gallon more for propane to be trucked in from longer distances.

Terry Davis of Country Propane in Milo, Iowa said that he always stresses there is a plentiful supply of clean-burning, easily transported propane. He tells his customers not to read too much into the hype on the news until he communicates a concern to them. “As an industry, we often respond with reliable propane to fuel generators for short-term issues like hurricanes and tornadoes,” he said. “Where natural gas and

electricity fail, propane picks up the slack. Crop drying is a similar circumstance where propane can resolve a short-term problem, but it often gets a black eye when transportation can’t keep up.”

Davis said the industry has done a good job of increasing storage at various customer sites. In many cases, 320-gallon tanks have been replaced by 500-gallon containers. In turn, 500-gallon vessels have been replaced by 1000-gallon tanks. However, he expressed concern that, too often, government stands in the way of boosting storage. “In Indianola and Warren County, it is next to impossible to add storage due to zoning conditions,” he said. “Meanwhile, crop drying equipment is faster and more efficient, but that means using up the propane faster and faster.”

And if extended travel is required to obtain more and more propane, the shortage of drivers is another big challenge for

Continued on **Page 44**

2009



Before ROUSH CleanTech officially formed, the company worked with sister division ROUSH Performance to manufacture its first propane fuel system, for the Ford F-150.

20,000 AUTOGAS VEHICLES AND COUNTING

STEVE RELYEA

When ROUSH CleanTech (Livonia, Mich.) sold eight propane autogas-fueled delivery trucks in December, it achieved a milestone—the sale included its 20,000th autogas vehicle.

The manufacturer of alternative fuel vehicles has built and deployed that many autogas-fueled Ford trucks and Blue Bird school buses since its formation in 2010. It has sold them to more than 1200 fleets across North America.

The road to this milestone began in 2006 with a \$1.2-million grant from the Propane Education & Research Council (PERC) for development of a liquid propane autogas fuel system for the Ford F-150. Greg Zilberfarb, an alternative fuel vehicle consultant at PERC and CEO and president at TSN Communications, had introduced PERC to Roush Enterprises. PERC had been looking to promote propane for on-road transportation, and Zilberfarb suggested they talk with Roush, a provider of engineering and product development solutions.

“We already had a rich history of power train development using alternative fuels, so this was a good fit,” Todd Mouw, president of ROUSH CleanTech, tells **BPN**. Mouw has been with



2010

ROUSH CleanTech has sold about 2000 vehicles in the parking industry and paratransit industry with this versatile platform, the Ford E-450 cutaway.

2011



ROUSH CleanTech partnered with Blue Bird in 2011 to manufacture propane fuel systems for the Blue Bird Vision school buses. More than 15,000 have been sold.

this division of Roush Enterprises since it was announced in 2009, first as vice president of sales and marketing and now, since February 2018, as president.

The first project was performed within the ROUSH Performance Group. The F-150 was chosen for that project because the pickup is a big seller for Ford. However, PERC and Roush came to see that the F-150 is much more of a retail truck than a fleet truck. That means there is only a short sales window before Ford changes the vehicle again to compete in the consumer market. Companies that have developed modifications for the truck must then start over again.

"The sales were not what we had hoped, but it was a good start," Mouw says today. "This project provided proof of concept. Looking through a technical lens, we understood the effectiveness of using propane in transportation."

After this success, Roush then announced in 2009 a long-term propane product strategy with the launch of fuel system development for Ford F-250/F-350 and Ford E-150/E-

250/E-350. In 2010, ROUSH CleanTech was legally formed. Its primary purpose was the development of propane autogas fuel systems.

The company expanded into another market in 2011. School bus manufacturer Blue Bird was looking to move away from the propane engine it had been using. At the same time, ROUSH CleanTech was developing a propane autogas fuel system for Ford's 6.8L engine.

"We were hearing from customers that their pain point was diesel, because of the emissions and the fluctuating costs," Mouw explains. "So we made a full-fledged transition to medium-duty vehicles and school buses. That is where we are today."

ROUSH CleanTech has also seen that these larger vehicles—Class 4, 5, 6, and 7 trucks and school buses—consume more fuel than a light-duty vehicle like the F-150.

"Where do fleets spend the most for fuel and maintenance? It's these bigger trucks and buses. Plus, a fleet's biggest pain

point is diesel; they need to get away from those engines. The fleets are looking for something that is more sustainable, both environmentally and economically. So, we help them out of diesel and into propane."

Propane remains the company's primary focus, but ROUSH CleanTech has been working with other alternative fuels as well. The company launched compressed natural gas (CNG) systems for school buses in 2016. This was done to help



2014

ROUSH CleanTech developed the fuel system for a Class 6 bobtail specifically for the propane industry.



2016

Operating up to a 33,000-pound gross vehicle weight rating, the Ford F-750 was created in response to the growing demand for a propane autogas-fueled, medium-duty chassis for bobtail applications, cylinder delivery trucks, and larger tank setters and box trucks.

Blue Bird service customers that already have existing CNG infrastructure.

“We have sold 50 CNG school buses and 15,000 propane school buses,” Mouw reports. “The market has spoken: propane is the better choice.”

The company has also announced a battery electric option for medium-duty trucks and buses. This is to go into production in late 2020.

This option is being added for fleets that must comply with California’s zero-emissions mandate.

“One message to all of us in the propane industry is, the electric industry is much more organized and effective. They are imposing electric vehicles from the top down. We as an industry must be more unified than ever.”

Electric has a bright future in transportation, but it’s not there yet. There are chal-

lenges still to be figured out, including building the infrastructure and lowering the cost.

“There is not a single silver bullet,” Mouw explains. “While we sort out the electric challenges, we have a solution—propane—that is a clean, domestic fuel source that is available now. Propane can be a key contributor to replacing diesel and foreign-sourced energy.”

2018



ROUSH CleanTech developed the first and only Class 4-7 engine certified to the optional near-zero nitrogen oxide (NOx) level of 0.02 g/bhp-hr.

Propane marketers can help get this message out to fleets. One thing they can do is talk with local school officials. There are 400,000 older, dirty school buses on the road today that could be replaced with autogas buses.

PROMOTING AUTOGAS

"Many marketers already have these relationships in the community," Mouw notes. "They can leverage those relationships by simply asking, 'Have you considered this?'"

Marketers can connect school officials with ROUSH CleanTech, who can show them how to transition their fleet to propane autogas. ROUSH, in turn, will include the marketer in the process. The marketer can then sell additional fuel to these customers who may already be buying propane for space and water heating.

Another thing propane marketers can do to promote autogas is run their own medium-duty trucks on the fuel they sell. Mouw acknowledges some have had bad experiences with autogas-fueled trucks in years past, but he adds the



Todd Mouw

systems have been figured out on today's vehicles. He suggests marketers call ROUSH CleanTech to learn how they can make the conversion and how the company will support them throughout the ownership of the vehicles.

"When you talk to a school district about autogas, you're sending a contradictory message if your fleet is running on diesel."

Today, as it marks the occasion of the sale of its 20,000th autogas vehicle, ROUSH CleanTech offers 10 propane autogas commercial Ford models. The eight Ford F-750 delivery trucks sold in December to an air service provider, dnata, are built with the company's 6.8L V10 3V propane

engine, which is certified to the optional near-zero nitrogen oxide (NO_x) level of 0.02 g/bhp-hr.

Mouw thanks the propane industry for the initial PERC investment that launched the development of products like these. "The industry helped us get started. We had five employees when we started and we have 130 now. We appreciate it. Your investment has paid off."

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PEOPLE



PETER IACOBUCCI
Palmer Gas & Oil

Palmer Gas & Oil (Atkinson, N.H.) has named **Peter Iacobucci** as its new general manager. He has been involved with the fuel and HVAC industries for more than 30 years in a number of operational and sales management positions. Iacobucci is a longtime participant on the legislative side of the energy industry, working throughout the region to combat legislative issues. In addition, he is an active member of the Propane Gas Association of New England's (PGANE) executive committee, having recently completed his term as PGANE chairman.

Robert Lee Burbeck of **Vision Financial Group** (Pittsburgh, Pa.) passed away Nov. 7. Burbeck was 49. He joined the equipment leasing and financing industry while attending Portland State University in Oregon. He was offered an opportunity by Orix Credit Alliance, his then current employer, to relocate to Atlanta to start a small ticket vendor office. Burbeck went on to work for several highly regarded equipment leasing and financing companies such as CIT Group, Sterling Bank, TCF Equipment Finance, and CNH Capital. Including his time at VFG, which he joined in February 2009, he spent more than 25 years in the industry.



ROBERT BURBECK
Vision Financial Group

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Jan. 16—The Annual LPG Charity Fund Mixer, Clutch Bar, Houston. (281) 797-5927

Jan. 21-23—NAHB International Builders' Show, Las Vegas Convention Center, Las Vegas, Nev. (800) 368-5242 ext. 8610

Jan. 28-30—Minnesota Propane Association Winter Convention 2020, Radisson Blu Mall of America, Bloomington, Minn. info@mnpropane.org

Feb. 3-5—2020 AHR Expo, Orange County Convention Center, Orlando, Fla. (203) 221-9232

Feb. 9-11—National Propane Gas Association Winter Board of Directors Meeting, DoubleTree Resort by Hilton Paradise Valley, Scottsdale, Ariz. (202) 466-7200

Feb. 10-12—The ARA Show, Orange County Convention Center, Orlando, Fla. (800) 334-2177

Feb. 11-13—World Ag Expo, International Agri Center, Tulare, Calif. (800) 999-9186

Feb. 12—PERC Council Meeting Conference Call. (202) 452-8975

Feb. 13-14—6th World Congress & Expo on Oil, Gas & Petroleum Engineering, Holiday Inn, Lisbon, Portugal. oil-gas-petroleum-2020@scientificfederation.info

Feb. 15—Deadline for Submitting National Propane Gas Foundation Scholarship Applications.

Feb. 27-28—2020 PACEshow, Kansas City Convention Center, Kansas City, Mo. (785) 233-9655

Feb. 27-March 4—2020 NRECA Annual Meeting, Ernest N Morial Convention Center, New Orleans, La. (703) 907-5500

March 3-6—The Work Truck Show 2020 including the Green Truck Summit, Indiana Convention Center, Indianapolis. info@ntea.com

March 8-10—National Propane Gas Association Spring TS&S Committee Meeting, Hilton Palacio Del Rio, San Antonio, Texas (202) 466-7200

March 12-13—National Propane Gas Association Spring Benchmarking Council Meeting, Dallas/Ft Worth Airport Marriott, Irving, Texas. (202) 466-7200

March 12-14—Hearth, Patio & Barbecue Expo, Ernest N. Morial Convention Center, New Orleans, La. vandermark@hpba.org

March 23-24—West Virginia Propane Gas Association Spring Membership Meeting, Embassy Suites, Charleston. (703) 530-9772

March 24-26—M-Pact Show, Indiana Convention Center, Indianapolis. (859) 219-3515

April 6-8—Manufactured Housing Institute 2020 Congress & Expo, MGM Grand, Las Vegas. info@mfghome.org

April 6-8—National Propane Gas Association Southeastern Convention & International Propane Expo, Music City Center, Nashville, Tenn. (202) 355-1334

April 6-9—NCI's High Performance HVAC Summit, We-Ko-Pa Resort & Conference Center, Fort McDowell, Ariz. (800) 633-7058

April 9—PERC Council Meeting, Hutton Hotel, Nashville, Tenn. (202) 452-8975

April 19-22—GPA Midstream Convention, New Orleans Riverside Hilton, New Orleans. (918) 493-3872

April 20-21—Energy, Utility, Environment Conference, San Diego Convention Center, San Diego, Calif. info@euec.com

May 5-7—Canadian Propane Association Leadership Summit, The Westin Edmonton, Edmonton, Alta. (613) 683-2270

May 11-14—Advanced Clean Transportation (ACT) Expo, Long Beach Convention Center, Long Beach, Calif. events@gladstein.org

May 12-14—International School of Hydrocarbon Measurement, Cox Convention Center, Oklahoma City. (405) 831-8609

May 13-15—Western Propane Gas Association Show & Convention, Reno Events Center, Reno, Nev. (916) 447-9742

May 27-28—European LPG Congress 2020, Fira Barcelona Montjuic- Hall 2, Barcelona, Spain. info@europeanlpgcongress2020.com

May 28-31—Mississippi Propane Gas Association Summer Convention, Hilton Sandestin Resort, Miramar Beach, Fla. info@mspropane.com

June 8-11—Mid-States Propane Expo and Tradeshow, Hilton Branson Convention Center, Branson, Mo. (800) 601-9332

June 9-11—Global Petroleum Show 2020, Stampede Park, Calgary, Alta. (403) 444-6523

June 14-17—National Propane Gas Association Presidential Forum, Annual Meeting, and Propane Days, Omni Shoreham, Washington, D.C. (202) 466-7200

June 15-18—NFPA Conference & Expo, Orange County Convention Center, Orlando, Fla. (800) 344-3555

June 22-25—North Central Propane Convention & Trade Show, La Crosse Convention Center, La Crosse, Wis. (515) 564-1260

June 24-26—Pennsylvania Propane Gas Association 2020 Annual Membership Meeting, location tba, (717) 441-6040

July 8-9—West Virginia Propane Gas Association Summer Membership Meeting, Stonewall Resort, Roanoke. (703) 530-9772

July 12-14—Virginia Propane Gas Association Summer Meeting, Hilton Virginia Beach Oceanfront, Virginia Beach. (804) 648-6299, ext. 1004

July 16-17—National Propane Gas Association Summer Benchmarking Council Meeting, Sheraton Inner Harbor, Baltimore. (202) 466-7200, ext. 335

July 21-22—PERC Council Meeting, Park Hyatt Beaver Creek, Beaver Creek, Colo. (202) 452-8975

July 23-25—2020 Crossroads TPGA Propane Expo & Convention, location tba, Austin, Texas. (800) 325-7427

July 28-30—Great Lakes Propane Convention, Indiana, Michigan, and Ohio Propane Gas Associations' Joint Summer Convention, JW Marriott Hotel, Grand Rapids, Mich. (317) 655-4444

Aug. 5-7—Pacific Propane Gas Association Annual Conference & Membership Meeting, Sunriver Resort, Sunriver, Ore. (844) 585-4940

Aug. 12-13—Northeast Propane Show, DCU Center, Worcester, Mass. leslie@pgane.org

Sept. 8-10—Gastech Exhibition & Conference, Singapore EXPO, Singapore. customerservices@gastechevent.com

Sept. 13-15—National Propane Gas Association Fall TS&S Committee Meeting, Westin Cincinnati, Cincinnati. (202) 466-7200, ext. 335

Sept. 27-29—National Propane Gas Association Fall Board of Directors Meeting, Fort Lauderdale Marriott Harbor Beach Resort & Spa, Fort Lauderdale, Fla. (202) 466-7200

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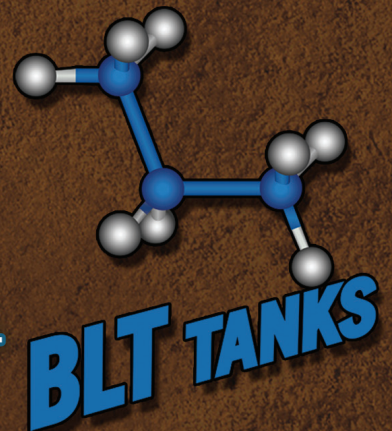
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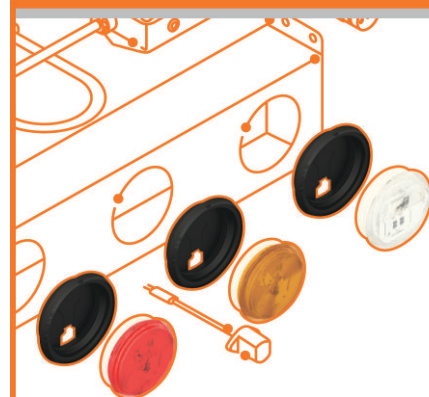
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WHERE DO WE GROW?

CONTINUED

Continued from Page 23

"About 9% of the state's homes already use propane as their primary heating source. We've lost gallons to electricity and natural gas, like everyone else, but have a great base from which to grow or retake market share."

MOPERC's residential efforts are supported by the findings of a recent survey of appliance rebate customers. The survey found that propane customers are loyal and knowledgeable about the product. "It wasn't part of our messaging before, but we heard that our current consumers understand that electricity is not inexpensive. The average Missouri kilowatt/hour cost is about twice the average cost of propane on a Btu basis," Ahrens said. "They also are not happy with the lack of heat generated by ground-source heat pumps."

"Missourians are looking for clean, reliable, efficient, affordable, safe, and versatile energy. We check all those boxes—every single one—but we need to be aggressive in demonstrating exactly what those benefits are."

"Because of lessons learned from the Propane Inspiration Home, we can take the next steps to address these unmet needs. Propane HomePro is our next iteration, and a year from now we will know even more. But the bottom line is that nothing sells the whole-home benefits of propane better than a beautiful new residence that highlights propane throughout."

WINTER CHALLENGES

CONTINUED

Continued from Page 32

the industry. "We've got to legalize 18- and 19-year-olds receiving licensing to drive hazardous materials," Davis said. "By the time they're 21, the legal age, they are often already settled into another job."

While Davis lauded the efforts of the Iowa Propane Gas Association, he said he is concerned that propane distribu-

tion issues arise about every five years. And each time the propane industry must work with new people in leadership positions at various government agencies. "Getting all the right people educated every time these situations arise takes time, and when propane is not moving fast enough a week can seem like an eternity. I'd like to see some policies and procedures in place where government assistance kicks in more automatically for cutting hours of service requirements and prioritizing propane on the pipeline."

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AN EMERGING LEADER IS CHANGING PERCEPTIONS

KAREN MASSMAN VANASDALE

Growing up as an only child in West Bengal, India, Priyanka Shaw was often told she was the boy in the family. Boys, not girls, were the ones naturally expected to do well and provide for their families. “Why can’t I be the girl in the family and be equally supported?” she asked.

After entering the propane industry less than two years ago, Shaw, the first female field marketing officer in LPG in her division of the Indian Oil Corp. Ltd. (IOCL), is quickly helping to change cultural perceptions of women and the propane industry.

Her work encouraging women in rural areas to use propane as an alternative fuel and “being a friend, philosopher, and guide to LPG distributors and helping them to creatively attain their full potential” is earning her accolades not only at Indian Oil, but internationally.

The Women in LPG Global Network (WINLPG) recently honored her with the first Young Woman of the Year Award. The award was launched to recognize women under the age of 30 who have made a contribution to the LPG industry or who demonstrate significant motivation. Priyanka Shaw clearly fits both categories.

“Being an employee of a Fortune 500 company where more than 350 women are in LPG business today, I feel privileged to be able to become an example for other women in the industry and pave the future road for them,” Shaw said.

Her job responsibilities include the commissioning of new LPG distributors, market forecasting, maintaining regular supplies in liaison with bottling plants, monitoring sales, inspecting distributor operations, and educating distributors.

The main focus of Shaw’s work is presenting clinics for consumers—primarily women—about the health, safety and life-changing benefits of propane. She travels to remote areas where she holds around 100 clinics a month to crowds of 100 to 250. In addition, she goes door-to-door so she can be in direct contact with the women. “I focus on getting feedback from them. Once women are educated, it keeps me motivated,” she added.

Throughout her life, Shaw’s

parents have been her inspiration and support system. “My parents are schoolteachers, and since childhood, they have taught me the core foundational behaviors—respect, kindness, and caring,” she said.

“I studied for my degree in Bachelor of Pharmacy at Jadavpur University during which I became the Cultural Management Secretary. [This is] where I must have developed my passion for leadership.” From there, she then went on to obtain her MBA from Indian Institute of Management.

She describes a marketing field officer’s job as 24/7, requiring many long hours. Shaw admits at times it is hard to find a balance between her career and home life. “But, when your passion is in complete alignment with your profession, even toughest days at work become full of excitement, and then balancing my career life with home life becomes enthusiastic.”

In addition, Shaw is the District Nodal Officer of the two districts of Assam, North East; a member of Indian Pharmacy Graduates’ Association; and a member of the organizing committee of the National Seminar on Research and Development and Pharmaceuticals.

As an emerging leader, her goals are defined by her passion for clean energy and women in leadership. “I will strive to promote diversity in the LPG industry, and in a period of 15 years from now, I will aim to lead to a 50% increase of women employed in the industry.

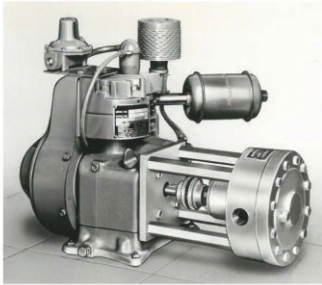
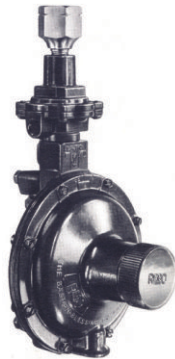
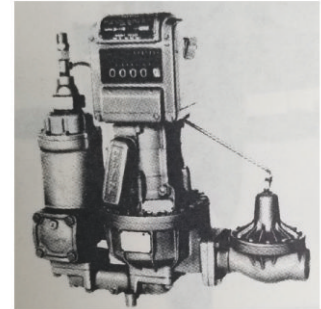
“The famous quote by Archimedes can best describe my short- and long-term goal, ‘Give me a place to stand and a lever long enough, and I will move the world’—where ‘place’ refers to the LPG industry and ‘lever’ refers to women’s empowerment. I want to convert this world to a greener environment for a baby to breathe and a pollution-free place for a baby yet to be born.

“In my career path, I will learn about my industry as much as possible and will try to absorb as much knowledge as I can. I will strive to become the chairman of IOCL and the future ambassador of WINLPG.” ■





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