

## ND Propane Gas Association



Dear NPGA Members:

We've concluded our Winter 2014 Board of Directors Meeting. The current supply, demand and distribution issues were the primary focus of nearly every meeting and conversation.

We have launched a short and long-term strategy aimed at preventing another situation like this one. I wanted to share with you an overview of my remarks to the Board of Directors Meeting regarding our immediate and short-term priorities. Please know that we are pursuing these items with the urgency that the situation demands.

First, we are working with the Department of Energy to raise awareness of the rapid depletion of the supply at the Conway storage facility, a critical storage location for the Midwest. The facility is at record lows, and we're urging the appropriate agencies to take preventative actions to avoid a crisis situation at the facility. The authority for DOE to take action can be found in a number of laws, including: The Stafford Act, Defense Production Act, and the Energy Policy and Conservation Act.

Second, the regional Hours of Service waivers expire on February 11. We will be working to extend that deadline and as well as provide additional relief in the form of weight restriction waivers. These waivers provide immediate relief and help us get fuel to the areas where it is needed most. We learned late yesterday that Texas has extended their permitting waiver through February 18.

Third, as an extension of our coordination with the Department of Energy, we are working feverishly with authorities at FERC, the Department of Commerce, and the White House to examine to what extent their emergency authority should be implemented. The application of this authority could include, but is not limited to, government mandates to pipeline operators to prioritize the shipment of propane and to increase production flowing into Conway.

Gary France made an important distinction about our industry that I hope will remain salient in the minds of every NPGA member. We are not a faceless name in the lives our customers. They rely on us to stay warm, use our product to produce America's food supply, and we have the unique privilege of being in their homes every day. They know us and we're members of their communities. For us, propane is not just a commodity to be bought and sold, it is the thread that weaves us into their lives.

Our industry is a little more than 100 years old. I have heard about the winter of 1989. I have talked to a lot of people who lived through price and allocation controls. Honestly, I can't tell you if this is a 25-year event, a 40-year event or a 100-year event. But I can tell you this is an extraordinary situation. And extraordinary situations requires extraordinary actions.

The challenges before us are great, but not insurmountable. And we will not be timid in the face of them. All options are on the table.

Sincerely,

A handwritten signature in black ink that reads "Richard Roldan". The signature is written in a cursive, flowing style.

Richard Roldan  
NPGA President & CEO



p.s. Please don't hesitate to use the "[Contact Us](#)" button on the NPGA website to submit any thoughts or ideas on how we may provide relief in the current situation.

## NDPGA Executive Committee

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*Mike Rud*

*Executive Director*

Valued NDPGA members:

The winter of 2014 won't soon be forgotten. I hope you are all doing as well as can be expected under the circumstances. I was doing an interview with a reporter a few weeks ago and I commented, "It's not often that propane retailers in North Dakota pray for warm weather during the winter months. It's an oddity to say the least. He said in response, "Kind of like hell freezing over?" I replied, "Just give it a few weeks that might happen, too. Winter isn't over yet."

All kidding aside, I know many of you and your client base are suffering through some difficult times. I think it's been nearly 25 years since we've seen anything like this in terms of a propane shortage. So much for the

idea of global warming in God's Country. It appears the Polar Vortex has found a home in the Upper Midwest and Plains States.

This edition of the newsletter is filled with all the ongoing efforts on the State and National fronts regarding our battles to secure propane supply in our area.

The Governor's office and other state agencies have done an excellent job of taking our cue and working from a proactive position throughout this crisis. Our Congressional Delegation has been at the forefront in leading the charge to secure HOS waivers for the Western Region Service Center which includes North Dakota. All their work is much appreciated in helping us navigate this fight. Here on the association front, we've taken part in numerous teleconferences with propane leaders from over two dozen other states. Each of us is trying to learn what the other is doing to help mitigate the damage caused by the product shortfall.

NDPGA continues to deal with the media in attempting to limit the collateral damage to the industry in the long term.

**However, the people making the biggest difference in this battle as always are you, the marketers.**

We are going on nearly 100 days of HOS waivers dating back to late October. It would seem you have performed almost flawlessly in transporting and delivering product to your customers in the safest and most efficient manner possible. In many cases, these long trips to procure product are made in under less than ideal conditions. Only those of you in the trenches on a daily basis truly know the effort that is put into this process.

I know this has placed a huge financial strain on your business and your customers. If there is anything the association can do to help anyone needing financial assistance to weather this storm, please contact us immediately. We will do all we can to point you in the right direction in terms of contacts.

Thank you for your commitment and dedication to this industry. Let's hope we see an end to all this chaos soon.

Keep the flame lit.

*Mike Rud*



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ND Propane Gas Association

1014 E Central Avenue

Bismarck, ND 58501

Phone:701-223-3370

	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
<b>MF Tax Gallons- Activity</b>	Activity Report	Activity Report	Activity Report	Activity Report	Activity Report
<b>Liquefied Petroleum Taxable Gallons</b>					
Per Gallon Taxed Fuel	80,749	23,050	84,900	29,064	51,416
Excise Taxable Gallons @ 2%	2,517,062	4,468,072	5,038,143	4,667,537	3,790,773
Heating Fuel Gallons	4,077,571	2,882,232	4,122,687	6,254,865	8,581,874
<b>Total Liquefied Petroleum Fuel</b>	<b>6,675,382</b>	<b>7,373,354</b>	<b>9,245,730</b>	<b>10,951,466</b>	<b>12,424,063</b>

	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
<b>MF Tax Gallons- Activity</b>	Activity Report	Activity Report	Activity Report	Activity Report	Activity Report
<b>Liquefied Petroleum Taxable Gallons</b>					
Per Gallon Taxed Fuel	42,827	82,964	48,969	60,009	43,375
Excise Taxable Gallons @ 2%	3,429,534	4,977,174	13,658,913	22,916,429	11,708,948
Heating Fuel Gallons	4,612,250	3,464,685	4,221,010	6,453,395	13,321,479
<b>Total Liquefied Petroleum Fuel</b>	<b>8,084,611</b>	<b>8,524,823</b>	<b>17,928,892</b>	<b>29,429,833</b>	<b>25,073,802</b>



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## North Dakota Propane Gas Association President Dave Walth

NDPGA members

Where do I start? First off I hope during these continuing cold temperatures you find some relief and find the time to spend with your families and reflect on some fun events to keep us all sane during this

struggling heating season. The word that describes the past several months has been nothing but crazy.

The propane industry has seen unprecedented numbers this year not only in domestic use but also in pricing. Many consumers along with many of us marketers are asking how all this can happen. Not sure if there is a simple answer to that question. Crop drying used an enormous amount of gallons not only here in North Dakota but in several states. And that late drying season led into the timeframe of residential heating. While still building up supply from drying there were pipeline maintenance issues that halted pulling of gallons from local terminals. All that was going on local while the entire upper states experienced cold temperatures not only for a short period of time but for extended weeks. Perfect Storm if you wish. The combination of all this started to deplete the propane supply quickly therefore the costs seem to follow. Along with the State Officials we have been in teleconferences with many other State Propane Associations and with Federal Officials to alleviate the strain on all marketers and to set in place actions to rectify the situation.

Thank you to those marketers that have sent in the API Survey in the past. On March 17, the API will mail the 2013 propane gallonage survey. Sending in the survey is very beneficial to North Dakota's training fund. Our states rebate is based solely on the amount of total gallons sold within the state. So if there are some marketers that choose not to submit the survey we will not get the rebate for those gallons and therefore not have as much funding for initial and continued training. In past years the association has been able to keep the cost for the classes down due to this rebate but if the trend continues of unreported gallons the costs for the trainings may need to be reviewed and increased. So if we can talk to our fellow marketers and encourage sending those surveys in we would all benefit from it.

Also thanks for a quick response to sending in your 2014 State dues. There are still a portion of the marketers that need to send in those dues yet so this is a reminder if you haven't done so.

Mike and Mary have spent lots of time to help the industry through this challenging time of supply and pricing issues. Those two along with the entire association will continue on the push for what is beneficial to our marketers. The media along with word of mouth are sometimes the hardest challenges we face. They can damage us easier than they can benefit us so let's all work hard to maintain calmness within our customers with these "All Time High" issues.

With the dedicated help of all our predecessors and over 100 years of the product... Propane has gained a popularity of a reliable fuel for many reasons. Let's continue to work hard supporting the product and hold high the integrity of Propane for years to come.

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## 64th Annual Propane Meeting June 18 - Medora

- 9:00 NDPGA Board Meeting
- 10:30 Propane Supply Panel
- Noon Hall of Fame Lunch
- 1:30 DOT & Hose Management Seminar
- 3:00 Updates to NFPA 58
- 5:00 Social and Dinner
- 8:00 Medora Musical

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Musical tickets can be ordered on the registration sheet which will be available in April.

## 25th Annual Petroleum Expo October 28 & 29 - Fargo

### October 28

- 9:30 Educational Seminar
- 11:30 Cenex / Tesoro / Schell Brand Meeting Lunches
- 1:30 Educational Seminar
- 3:00 Petroleum General Business Meeting
- 5:00 Social & Live PAC Auction
- 7:00 Petroleum Chairman's Banquet

### October 29

- 8:00 Propane General Business Meeting
- 9:00 Educational Seminar
- 10:00 Trade Show
- 3:00 Propane Board Meeting

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## Employee Propane Training Schedule

March 3 & 4	<b>Basic</b> Principles & Practices
March 5 & 6	<b>Bobtail</b> Delivery Operations
March 7	DOT <b>Hazardous Material</b>
March 7	Basic & Delivery <b>Refresher</b> Training
<b>Expressway Suites - Fargo, ND</b>	
April 7-8-9	Designing & Installing Exterior Vapor <b>Distribution Systems</b> 4.1
April 10	DOT <b>Hazardous Material</b>
April 10	Basic & Delivery <b>Refresher</b> Training
April 10	Propane <b>Cylinder</b> Filling
April 11	<b>Office</b> Personnel
<b>Holiday Inn - Minot, ND</b>	
August 11-12-13	Placing Vapor <b>Distribution Systems</b> & Appliances into Operation 4.2
August 14-15	Operating a Truck or Trailer to Deliver or relocate <b>ASME Tank</b>
August 15	Propane <b>Cylinder</b> Filling
<b>Astoria Hotel - Dickinson, ND</b>	
August 25 & 26	<b>Basic</b> Principles & Practices
August 27 & 28	<b>Bobtail</b> Delivery Operations
August 29	DOT <b>Hazardous Material</b>
August 29	Basic & Delivery <b>Refresher</b> Training
<b>Seven Seas - Mandan, ND</b>	
November 10-12	<b>Plant</b> Operations
November 13 & 14	<b>Basic</b> Principles & Practices
<b>Seven Seas - Mandan, ND</b>	



## Mobile Crane Safety in the Propane Industry

Mobile Crane Safety in the Propane Industry is an employee training program funded by PERC to help crane operators, field

technicians, and managers understand good practices and procedures associated with the safe operation of a mobile crane. This multi-media program includes the following tools:

**Video.** The 75-minute video highlighting best practices for mobile crane safety in the propane industry is available on DVD. The video is organized into modules that allow you to view the entire program or individual sections based on your job responsibilities.

**Training Manual.** Summarizes all the activities and instructions featured in the video is available on CD. A quiz

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covering all major areas of crane operation is included in the workbook.

**Instructor Guide.** An instructor guide and PowerPoint® presentation of the program, suitable for classroom instruction, is available on CD.

**Safety Talk Handouts.** A series of "Crane Safety Talk" handouts are available on CD. These one-page handouts discuss important crane safety topics. They are designed to be a resource for safety meetings.

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Contact Mary to order 701-223-3370 or

[Mary.ndrpma@midconetwork.com](mailto:Mary.ndrpma@midconetwork.com)

## Bringing Injured Employees Back to Work

When employees are injured on the job, it's a good goal to get them back to work as soon as they are medically able to return. If your organization has a formal return to work program, this is a great time to put it in motion. Your employees will benefit from the opportunity to live a productive lifestyle during their recovery period while remaining connected to their peers. In fact, research has shown that injured people recover more quickly if they remain active and return to their normal routine as soon as possible. If you don't have a return to work program, you should strongly consider starting one. The following tips can help you manage the return to work process for injured employees.

### Communicate Frequently

Just because workers are out with an injury doesn't mean they stop being your employees, and communication with them does not have to be limited to what occurs through the doctor or the claims adjuster. Unless you are directed not to do so, reach out to them while they are at home to check on their recovery and answer any questions they might have. Let them know that you care and that you're making arrangements for them to return to work in whatever capacity is possible. It's important for your employees to feel valued and in the loop concerning their injury and the workers' compensation claims process.

### Get Specific Information

Work with the employee's health care provider to get specific information regarding any medical restrictions. For example, terms such as "light duty" are not useful. Instead, get objective information like weight limits on lifting or number of working hours allowed. Provide the physician with a written job description outlining the physical demands of the employee's job so he or she can identify which tasks are still acceptable.

### Modify Existing Jobs

If you can, return an employee to work in his or her normal job with modified job duties. In convenience stores, this may mean that the employee is limited to working at the counter, and is temporarily unable to assist with stocking shelves or cleaning floors. However, depending on the restrictions, the employee may still be able to empty trash, tidy merchandise or do light cleaning tasks. You may need to provide a chair for standing restrictions or adjust schedules for working hours restrictions.

### Find Other Transitional Work

If the injured employee's restrictions don't allow him or her to complete normal job duties, such as when a driver is restricted

from driving, you may be at a loss as to what accommodations you can make. Look at this as a great opportunity to complete those tasks that never seem to get done. Employees can perform audits or equipment inspections, complete a safety checklist for the facility, collect information for an upcoming safety meeting, or test and repair safety equipment like smoke detectors and first aid kits. It's also a great time for them to complete any upcoming continuing education or certification requirements. Other possible transitional tasks include training new employees, doing an inventory or even answering phones. Ask employees to help you come up with ideas for alternative/transitional duties at your workplace and maintain a running list so you are prepared when you need it.

*Article courtesy of the Risk Improvement Department, EMC Insurance Companies, Des Moines, Iowa.  
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*Steve McKay, CEO  
Sharp Propane*



Left to right: Bobtail operator Melvin Sheppard and CEO Steve McKay.

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## Low Income Home Energy Assistance Program

The North Dakota Department of Human Services administrates the Low Income Home Energy Assistance Program (LIHEAP) which provides funding assistance to help qualified residents pay for home heating costs during the winter. The program could be particularly valuable to qualified residents this winter due to recent spikes in the cost of propane. LIHEAP also provides other assistance, including funds to help pay for repairs or the replacement of a furnace.

Residents with incomes up to 60 percent of the state’s median income are eligible for the assistance. Qualifying income varies by household size. Residents eligible for LIHEAP will pay between 1 percent and 3 percent of the monthly cost for heating, with the program picking up the remaining cost. The percentage is based on household annual income. North Dakota does not cap monthly LIHEAP benefits.

North Dakotans who need help paying heating costs can apply now through May at their local county

social service office or call the State LIHEAP office at 1-800-755-2716. More LIHEAP information about LIHEAP is available at <http://www.nd.gov/dhs/services/financialhelp/energyassist.html>

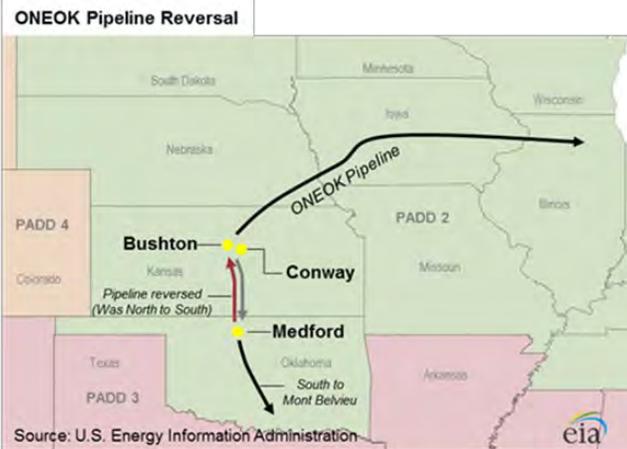
### ND Propane Gas Foundation Board of Directors Position Available

Contact the association office if you are interested in serving. 1-800-472-0512



**Golf Scramble  
PAC Fundraiser  
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Hawktree  
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## ONEOK reverses pipeline to move propane into the Midwest, which could help to alleviate tightness in Conway/Midwest.



On January 29 ONEOK filed with FERC to reverse parts of its 134 Mb/d ONEOK North system to flow from Medford, Oklahoma to Bushton, Kansas (Bushton is located near the facilities at Conway) effective as of February 6. The pipeline (North Line 5) had been flowing north to south carrying raw NGL mix, but will be able to supply increased demand at Conway and the Midwest. The product that the reversed line will move - purity propane or a NGL mix - and the capacity of the line to move product north are unknown at this time. ONEOK has fractionation facilities at Medford, Oklahoma with capacity around 196 Mb/d, and a fractionation facility at Bushton, Kansas with a capacity around 200 Mb/d, so regardless of what moves in the pipeline (NGL Mix or Purity Propane) additional purity

propane will become available at Bushton/Conway.

Bushton, Kansas is the origin for the ONEOK pipeline which delivers propane and other purity NGL's into the markets of the Midwest including the states of Nebraska, Iowa, and Illinois.

Other FERC filings suggest ONEOK is using leased capacity on another pipeline to move up to 15,000 barrels per day of "natural gas liquids" from Texas to Conway, Kansas.



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