

SPRING 2008

2008 PROPANE Exceptional Energy® Homebuilder Awards

Connecticut and Montana Builders Win Awards at International Builders' Show

Innovative uses of propane have garnered top honors for homebuilders **Dream Developers** of Connecticut and **Wickiup Builders** of Montana. Dream Developers has taken home the 2008 PROPANE Exceptional Energy® Homebuilder Award in the category of homes valued at more than \$400,000. Wickiup Builders is this year's winner in the category of homes valued at less than \$400,000.

The awards, handed out for the sixth year, are based on innovation in the use of propane in developments to achieve functional or aesthetic goals. Both builders received their awards at the International Builders' Show (IBS) in Orlando, FL, on February 15. Representatives from the winning firms and the propane partners that nominated them received complimentary trips to the IBS.



Dream Developers in East Hampton, CT

From Dream to Reality

Nominated by Bemer Petroleum Corporation, Dream Developers used propane as the primary energy source for its Laurel Ridge community in East Hampton, CT. Laurel Ridge is



Continues on page 8

Revised CETP Books Now Available

PERC is now taking orders for three completely updated Certified Employee Training Program (CETP) textbooks: *Basic Principles & Practices*; *Propane Delivery Operations & Cylinder Delivery*; and *Bobtail Delivery Operations*.

The new text is modeled after the three CETP E-Learning DVDs of the same titles and has been updated according to the 2008 edition of NFPA 58 and the 2006 edition of NFPA 54. The books are printed in color and include state-of-the-art graphics. These courses have

also been streamlined and include separate glossary and resource sections, all of which provide an enhanced classroom learning experience for students.

The updated textbooks now include practice quizzes at the end of each module as well as a comprehensive pre-certification review, similar to the CETP E-Learning DVDs. While this review is not the formal National Propane Gas Association (NPGA) CETP certification test, it will allow the user and employer to gauge what was learned from

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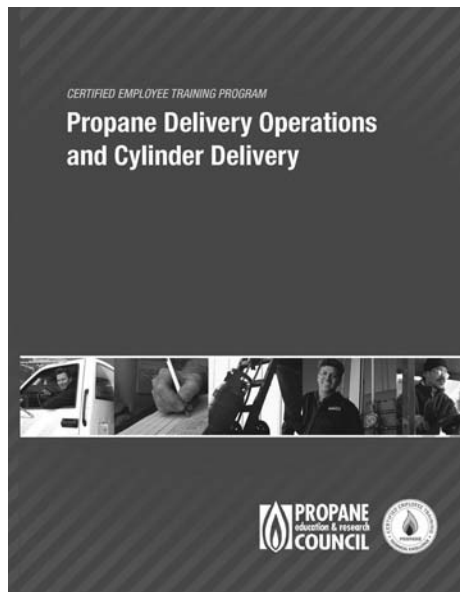
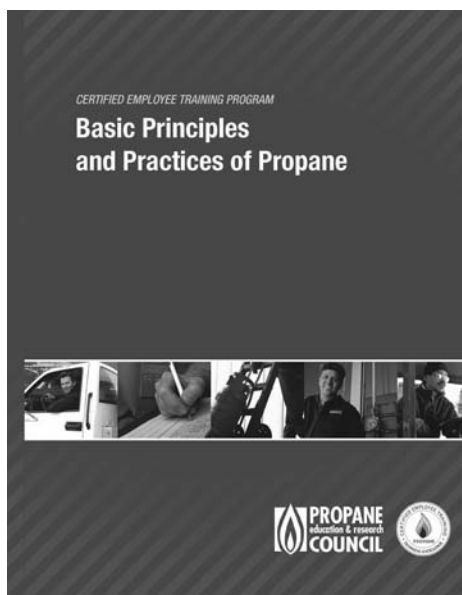
the program. At any time, the user can take the pre-certification review or go directly to NPGA certification by visiting www.npga.org.

"These new courses represent the Safety & Training Advisory Committee's (STAC) three main criteria -- technically sound, easy to deliver, and in a language and style that students can understand," said PERC's STAC Chairman, Mike Walters, Amerigas (Westlake, OH).

These books, along with all CETP training materials, can be purchased through the Propane Resource Catalog at www.propanecatalog.com or (866) 905-1075.

Basic Principles & Practices

(item #009200/\$26 each): *Basic Principles & Practices* is a prerequisite to the more advanced classes, and includes modules covering the physical properties and combustion characteristics of propane; identifying propane industry standards; safety codes and regulations; identifying the basic parts of tanks, cylinders, and bulk storage installations; maintaining a safe working environment; identifying commonly used hand tools and supplies; and serving the customer.



Propane Delivery Operations & Cylinder Delivery

(item #009205/\$26 each): The updated textbook provides general information applicable to drivers of cargo tank motor vehicles used to deliver propane, including inspecting, maintaining and operating propane delivery vehicles, filling propane storage containers, and making customer deliveries of propane.

Propane Delivery Operations & Cylinder Delivery was combined from two CETP courses -- *Propane Delivery Basics* and *Operating a Cylinder Delivery Vehicle* -- into one comprehensive textbook. As with the e-learning DVD, the bundling of these courses provides flexibility for classroom instruction and reduces cost.

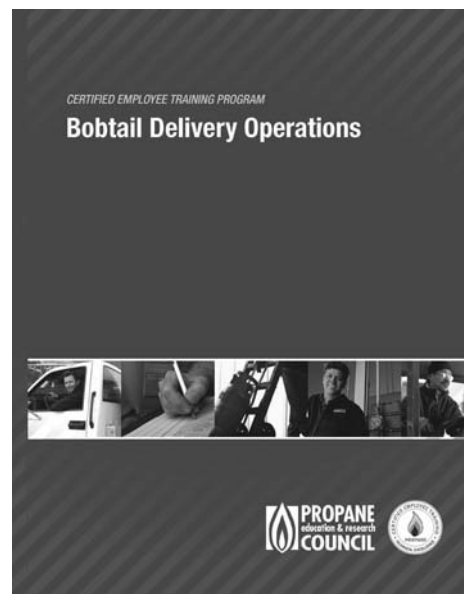
Instructors and students are provided with information on which modules that do not need to be taught to those students who seek instruction and certification only in *Bobtail Delivery Operations* and do not need instruction on *Cylinder Delivery*.

For more information on CETP certification, contact NPGA at (202) 466-7200 or visit www.npga.org.

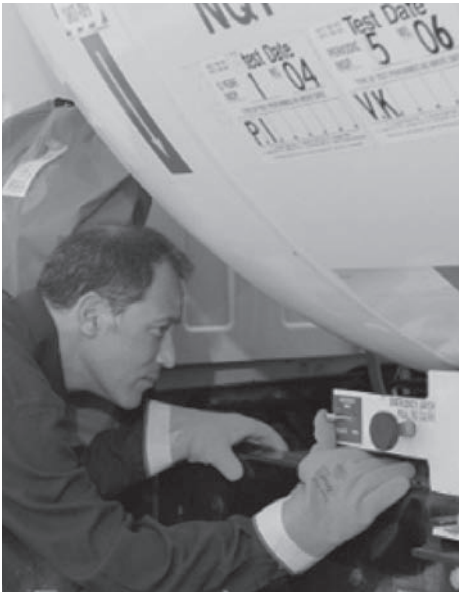
Bobtail Delivery Operations

(item #009210/\$26 each): The updated textbook identifies bobtail equipment and operating procedures; pre-unloading inspections; bulk plant loading/unloading systems and procedures; walk-around inspection of CTMV; purging propane containers prior to transferring product; handling out-of-gas calls and piping leak checks; evacuating ASME tanks; post-trip inspections; required monthly inspections; and bobtail loading via compressor or auxiliary inlet.

Only student editions of the textbooks will be printed, and the answer key for each of the textbooks is posted on www.propanesafety.com.



You can purchase the updated textbooks through the Propane Industry Resource Catalog at www.propanecatalog.com or (866) 905-1075.



PropaneSafety.com

PERC's safety and training website, PropaneSafety.com, includes additional valuable information about CETP, including textbooks and e-learning materials, as well as other important safety and training tools such as Gas Check™, Propane Emergencies, Regulatory Compliance, and Consumer Safety Education. Through the website, industry members can provide comments and suggestions on any of PERC's safety and training programs.

For more information, contact PERC's Courtney Gendron at (202) 452-8975 or courtney.gendron@propanecouncil.org.

Instructor PowerPoint™ CDs

PERC has developed CDs to assist instructors when conducting CETP courses through classroom instruction, giving them tools to gauge students' knowledge throughout the training. Among other materials, the CDs include graphics and an instructor's guide to help facilitate case studies for group discussion.

Instructors seeking a complimentary copy of the Instructor PowerPoint™ CD should contact PERC's Vincent Sibilila at vincent.sibilila@propanecouncil.org or (202) 452-8975.



Safe Grilling Hang Tag... Back by Popular Demand

Prepare for barbecue season this year with the new safe grilling hang tag that reads: "With Propane the Grilling Season Never Ends."

This full-color 7" x 4 3/4" die-cut hang tag offers the same look as the previous version of this hang tag with updated safe grilling tips and images. It was created for use on 20 lb. propane cylinders or showroom grills. This hang tag is printed on waterproof paper allowing for use outdoors as well as indoors. Elastic strips are included with each order to ensure easy attachment for any display.

The safe grilling hang tag is available through the Propane Resource Catalog (item #008527/\$2.75 for 10 pack) and may be ordered at www.propanecatalog.com or (866) 905-1075.



PERC's Campaign Extension Program

Blue Star Puts PERC Marketing Materials to Work – A Profile

As marketing director for Blue Star Gas in Central Point, OR, Darren Engle has a lot of territory to cover. Blue Star, a family-owned operation in business since 1938, has ten offices from the San Francisco Bay Area to Portland, Oregon, covering some 45,000 square miles.

Each office has its own unique marketing focus based on local energy competition. "Some of our California offices operate in areas where electricity is fairly expensive," says Engle. "So, some alternate fuel sources such as kerosene and home heating oil are fairly big. In Oregon and far northern California, they have less expensive electricity rates." Engle explains that as marketing director, he has to fine-tune his efforts to meet those demands. "In the northwest, we must sell really hard against electricity because it is such a competitively priced option."

Engle says given the complexity of Blue Star's business environment, he appreciates the helping hand he gets by having professionally developed and tested marketing materials available through PERC's Campaign Extension Program, which is part of the online Marketing Resource Center (MaRC), which can be found at <http://members.propanecouncil.org>.

"The PERC materials allow me to have another resource, another tool to gather pictures, stories, and research," says Engle. "I look at what is there and then I assemble what I need for all my different markets. It absolutely is a toolbox that gives me flexibility. Both externally and internally, the MaRC allows me to grab tools that I need."

"These are tools that help to promote the benefits of propane. The industry always needs to be looking at ways to increase market share and compete against alternate fuels."

— **Darren Engle, Blue Star Gas** (Central Point, OR)

PERC's Programs Manager Kelly Harris says the idea behind the Campaign Extension Program is to make available a variety of items into quarterly kits that are understandable and usable. "Each kit includes a program guide, builder ad, consumer ad, ready-made print article, and fact sheet with research," says Harris. "The propane marketers can customize all these tools just by adding their company logo or some company information." The Campaign Extension Program itself is one of several toolboxes available through the MaRC.

This quarter, PERC is encouraging the industry to focus local marketing efforts on propane water heaters, one of four coordinated, seasonal promotions that make up the Campaign Extension Program. The other promotions emphasize outdoor living, generators, and home heating. A marketing effort for underground tanks extends throughout the year.

Engle says marketing for propane water heaters is a priority for Blue Star Gas, especially in its northern markets. He says a large number of Blue Star's existing propane customers have electric water heaters in their

PROPANE TANKLESS WATER HEATERS. EASY INSTALLATION FOR YOU,

ENDLESS HOT WATER AND ENERGY SAVINGS FOR THEM.

What makes propane tankless water heaters ideal for you and your customers? Let's count the ways. On-demand hot water is more efficient and can lower water heating bills up to 60%. Compact design frees up room. Innovative engineering means longer appliance life. They're also easy to install. For more on tankless water heaters, visit usepropane.com/buildwithpropane.

BLUE STAR GAS

PROPANE EXCEPTIONAL ENERGY

Blue Star Gas Medford Co.
6096 Crater Lake Ave.
Central Point, OR 97502

BLUE STAR GAS

Know that feeling when the hot shower suddenly goes cold? He doesn't.

He knows what you like in the shower: hot water. And with a propane water heater, you'll have plenty. Propane heats water nearly twice as fast as electricity. And propane water heaters can cost a third less to operate. To learn about other propane appliances and what they can save you, visit bluestargas.com.

PROPANE
EXCEPTIONAL ENERGY

TO TEST THE WATER, VISIT BLUESTARGAS.COM WE DELIVER VALUE



homes. So, while they have the fuel source in place, they're not taking full advantage of the benefits of propane. In addition to using the water heater promotional materials to educate and inform homeowners, Engle says they're a valuable resource to reach out to builders and contractors as well.

Whatever the use, Engle says the tools are easy and effective. In some cases, all he needs to do is put the Blue Star logo in place and add the locations of the company's service centers. "PERC has done a really good job of having these high-quality tools available. It comes down to just needing to do some customizing."

And he says while it doesn't hurt to be good at using your computer's photo editing software, you don't have to be an expert at it to customize these tools. That's because the MaRC site includes step-by-step guides and other helpful information to take you through the process.

PERC now offers print ad customization for marketers through its Creative Lab. They will add your logo, phone number, website address, and location to print materials downloaded from the MaRC. Contact the Creative Lab today at creativelab@porternovelli.com.

Given that the tools are developed in a high-quality and easy-to-use fashion, and that they can be tailored to meet the specific needs of your company, Engle says there's no reason not to take advantage of them. "These are tools that help to promote the benefits of propane. The industry always needs to be looking at ways to increase market share and compete against alternate fuels."

Engle sees the Campaign Extension Program as a way to meet Blue Star's many marketing demands in a professional, effective manner. "It's PERC's materials," says Engle. "And it's my program."

For more information on the Marketing Resource Center or the Campaign Extension Program, contact PERC's Kelly Harris at kelly.harris@propanecouncil.org or (202) 452-8975.

BLUE STAR GAS

Water Heater Exchange Program

Imagine enjoying all the benefits of a gas water heater. Hot showers, soothing baths, washing dishes, and laundry all at a fraction of the price of electricity. Now imagine it was yours at no cost.

For a limited time, Blue Star Gas is offering a free 40 gallon water heater and \$200 installation allowance to select customers.

This offer is available for:

- Remodeling projects.
- Electric to gas conversions.
- Oil to gas conversions.

Offer is available for qualified equipment installed after Jan. 1, 2007. Offer applies only to "New" Full-rated customers who contract for 5 years delivery service with Blue Star Gas. Program participants must meet all Blue Star Gas volume, safety, and credit requirements.

Everyone wants a hot shower and we completely understand this desire. With a propane water heater, you'll have plenty. Propane heats water nearly twice as fast as electricity. And propane water heaters can cost a third less to operate. To learn more about propane water heaters, visit bluestargas.com

PROPANE
EXCEPTIONAL ENERGY

TO TEST THE WATER, VISIT BLUESTARGAS.COM WE DELIVER VALUE

Visit the Propane Marketing Resource Center (MaRC) today at <http://members.propanecouncil.org>.

Residential Survey: Future Decision Makers Give High Marks to Propane

Recent research conducted for the Propane Education & Research Council (PERC) by Harris Interactive (Reston, VA) will help serve as a foundation for PERC's consumer education campaign throughout the year.

The research, which was conducted using online interviews in November 2007, focused on three target groups: builders, future decision makers, and propane zip code residents. The *builder* group includes contractors, architects, construction managers, and others who have some recent experience with projects off the natural gas main. *Future decision makers* are those consumers who in the next five years are likely to purchase or renovate a home, or convert appliances in a home that is located off the gas main. *Zip code residents* are those who live in areas where propane is available, but who don't fit into either of the other two categories.

While builders remain central to energy decisions, future decision makers have the most favorable attitudes toward propane. Not only are they more likely than zip code residents to use propane when natural gas is not available, they are also more likely to recommend propane to others. Future decision makers are particularly favorable toward the use of propane for cooking and water heating, somewhat less so for home heating.

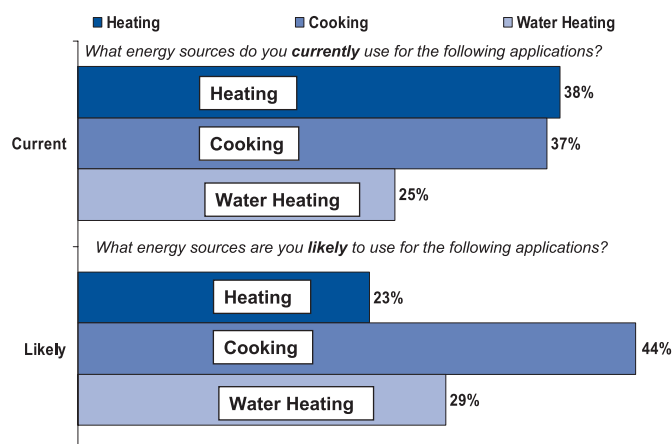
And of the three target audiences, future decision makers have the highest level of agreement on strategic message elements. Interestingly, propane is rated highly by all three groups for its comfort and efficiency. Those attributes are two of the three – along with lower monthly utility bills – that these audiences consider most important for energy.

This latest research effort builds upon studies that were conducted in 2006 and 2007. By comparing findings from these different surveys, certain patterns become apparent. One particularly noteworthy pattern is the increased favorability toward geothermal as an energy solution. Geothermal had been seen as less favorable than propane, natural gas, or electricity in results from May 2007. However, the latest results show that geothermal is now viewed on a par with propane and the alternate choices. Home heating oil remains a much less favorable choice with all target audiences.

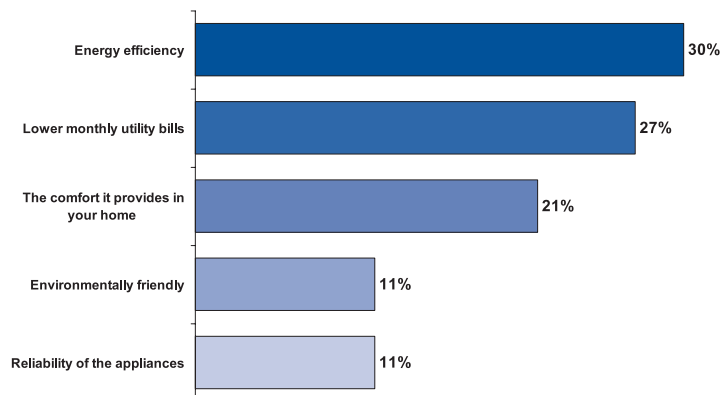
Consumer Education Campaign Measurement and Evaluation Survey

Harris Interactive (Reston, VA) conducted an online survey on the propane industry's consumer education campaign, which included interviews with 366 builders, 838 propane zip code residents, and 331 future decision makers in November 2007. Here are a few results of the survey:

Current and Likely Propane Use for Future Decision Makers



Important Characteristics About Energy Sources for Future Decision Makers



When thinking about the energy sources you use for cooking, home heating, and water heating in your home, which one of the following is most important?

Favorability

How favorable are you toward the following energy sources using a scale from 1 to 100 where "1" means that you have extremely cold or negative feelings toward the energy source and "100" means that you have extremely positive or warm feelings toward the source.

	Mean Score	Change Since May '07	
Builders	Propane	50.8	+1.8
	Electricity	56.1	+0.8
	Natural Gas	67.7	-1.4
	Geothermal	56.4	+5.6
	Heating Oil	27.2	-1.1
Future Decision Makers	Propane	59.2	-1.1
	Electricity	60.8	-0.6
	Natural Gas	61.4	-4.8
	Geothermal	59.5	+3.7
	Heating Oil	37.6	+3.1
Propane Zip Code Residents	Propane	52.2	+0.3
	Electricity	63.3	-4.5
	Natural Gas	54.8	-2.0
	Geothermal	45.5	+4.0
	Heating Oil	29.6	--

A key finding in the Harris survey is that propane is highly regarded among future decision makers for its physical comfort, reliability, and efficiency. It does not score as well, however, in terms of long-term cost savings, value, and safety. The survey results suggest that more emphasis should be placed

on the value that propane delivers as an energy choice.

One area of marketing emphasis for PERC in the first quarter is water heaters. As this survey shows, all target audiences – future decision makers in particular – view propane favorably when it comes to water

heating applications. This favorability should be seen as an entry point for discussions about other propane applications within the home.

Cooking also provides an opportunity for propane marketers. Because cooking represents a personal interaction with propane and because propane is viewed so favorably for its cooking application, it can serve as a positive indicator for propane in other uses, including home heating, which score lower.

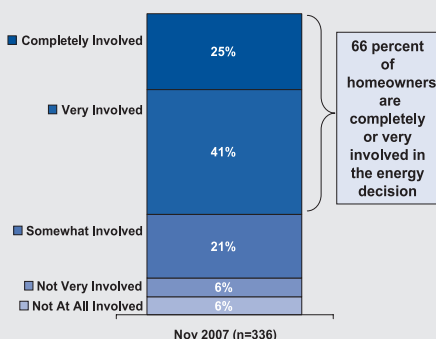
Additionally, because builders play such a key role in energy decisions, PERC is expanding its outreach effort to this segment of the market (see related article in this issue). Propane marketers should look for opportunities to directly reach out to builders in their area. As builders become more familiar with and favorable toward propane, they are more likely to move future decision makers and zip code residents in that direction as well.

For more information, contact PERC's Kate Caskin at (202) 452-8975 or kate.caskin@propanecouncil.org.

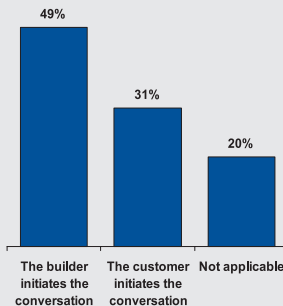
Home Builder Responses

Builders: Homeowner Involvement and Conversation

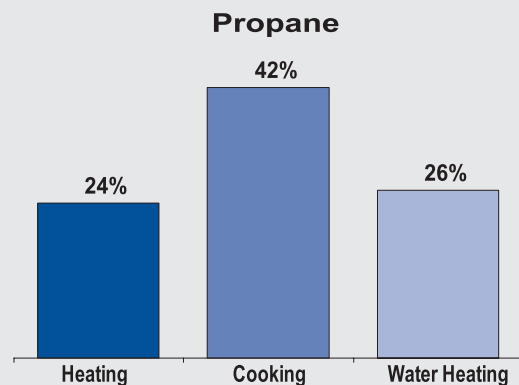
Of the homes you have built or renovated during the past two years, how involved were the homeowners in choosing energy sources for the major appliances?



Who normally initiates the conversation about which energy sources to use for home heating, cooking, and water heating?



Builders: Likelihood to Recommend Propane



When building or renovating a home in an area where natural gas is not available, which energy source are you most likely to recommend for the following applications?

an active adult community consisting of 88 homes that are fueled by a network of underground propane tanks. These 1,000- and 1,450-gallon tanks provide the propane used to heat individual homes, as well as fuel residents' needs for hot water, fireplaces and, in some cases, propane cooking, clothes drying, and outdoor gas grilling.

Dream Developers owner Stephen Motto had used oil-fired heating systems in the homes he built for more than 15 years, before deciding to use propane at Laurel Ridge. He based his decision on several factors, including the knowledge that propane is a nontoxic fuel that is environmentally friendly. Motto also heard from homeowners, prospective buyers, and other developers about the many advantages of using propane. Motto is able to show homebuyers that propane offers a savings on energy costs and requires less maintenance than other fuels. Motto says, "The customer response has been very positive."

In addition to propane's convenience and efficiency, as a top-quality builder Motto also appreciates the aesthetic advantages of propane. With the help of David DeTuccio, Jr. of Bemer Petroleum, Motto was able to design a discreet, underground propane system, allowing for efficient delivery without compromising beauty. The result is



Wickiup Builders in Ennis, MT

happy homeowners who can enjoy the many advantages of propane.

Montana Builder: Propane Means Convenience, Value, and Efficiency

Wickiup Builders of Ennis, MT, nominated by Northern Energy, has been using propane in new homes for more than 20 years. As a company that builds an average of just three homes a year, owner Tikker Jones recommends propane to his customers for its convenience, value, and efficiency. In fact, because propane meets those needs, every house built by Wickiup is fueled by propane.

That includes this year's winning home, a 2,400-square-foot custom home designed after *Life* magazine's 1997 Dream Home. Wickiup chose to use a 1,000-gallon buried tank to



supply propane that is used to run radiant floor heat, on-demand water heaters, high grade cook stoves, and a gas fireplace.

Wickiup customers appreciate propane for its reliability during Montana's harsh winter weather. In addition, they know propane to be easier to use than wood fuel and more efficient than electricity.

"As an Energy Star builder, I feel it's my obligation to provide my customers with an efficient, clean, low carbon dioxide-producing source of heating," says Jones. "Propane fills that need."

2008 Propane Industry Resource Catalog

The new 2008 Propane Industry Resource Catalog is now available! The full-color catalog features the latest in safety and training materials, consumer information, and marketing tools. To request a copy of the catalog, contact PERC's Alicia Dunn at (202) 452-8975 or alicia.dunn@propanecouncil.org or visit www.propanecatalog.com to access the catalog online.



PERC Launches Distributed Generation Demonstration Projects

Because it requires a fuel that can cut costs, increase reliability, and reduce emissions, distributed generation (DG) represents a market with great potential to increase the utilization of propane. High energy prices and power shortages caused by strain on the electrical grid are encouraging consumers to seek cost-effective alternative sources for heat and power. DG technology offers the propane industry the opportunity to expand propane's share in energy markets and balance off-season demand.

With that in mind, in 2008 PERC launched a comprehensive DG demonstration program through **Docket 12335 - Propane Distributed Generation Demonstration Program**. The goal of the program is to demonstrate propane DG technologies to raise awareness of propane equipment and to move products closer to commercialization.

The program will include projects from Climate Energy, Energy Alternatives, the National Park Service, and the North Carolina Solar Center.

Climate Energy's project will demonstrate a hydronic micro-combined heat and power system using a Honda engine at a Massachusetts residence. The system being installed is already commercially available in Japan. Plans are in place to begin commercialization in the United States after a successful demonstration.

The Energy Alternatives project takes place in rural Alaska, where a micro-cogeneration system manufactured by Yanmar will be installed and monitored for two

years. This project includes co-funding from the Department of Energy (DOE) through the University of Alaska Arctic Energy Development Technology Laboratory (AEDTL). AEDTL will conduct the system analysis during the demonstration.

The project with the National Park Service involves replacing current diesel generators with a more efficient propane system to create a micro-grid. This micro-grid will power all the buildings at the Kennecott Historical Mine at Wrangell-Saint Elias National Park and Preserve in Alaska. This project includes co-funding from the National Park Service.

The last project selected for PERC's DG demonstration program will be conducted by the North Carolina Solar Center, based at North Carolina State University. This project, which includes a unique partnership with a local propane marketer, will demonstrate a solar-propane hybrid combined heat

R&D Brochure Wins Distinguished STC Award

PERC's 2007 R&D brochure recently received a Distinguished Technical Communication award in the Society for Technical Communication (STC), Washington, D.C. Chapter's annual technical publications competition. The award is the highest of the competition's three levels of award.

PERC and Energetics Incorporated (Washington, D.C.) partnered to create this award-winning piece, which highlights the industry's research and development program.

To download the R&D brochure, visit <http://www.propanecouncil.org/rd>. For more information, contact PERC's Greg Kerr at (202) 452-8975 or greg.kerr@propanecouncil.org.

and power (CHP) system at the marketer's bulk plant facility.

All of these projects include significant levels of co-funding, which enables PERC to leverage industry dollars with support from project partners. For more information on these projects contact PERC's Greg Kerr at (202) 452-8975 or greg.kerr@propanecouncil.org.

Propane Days 2008: June 9-11

Be sure to mark your calendar for this year's Propane Days, to be held June 9-11 in Washington, D.C. The annual summit on Capitol Hill is an important opportunity for the industry to educate federal policymakers on propane's many uses, its role as a clean, efficient energy source, and the industry's contribution to the U.S. economy. Former House Speaker Newt Gingrich will present the keynote address. Tucker Carlson, host of MSNBC's lively political talk show "Tucker," will return for an encore performance from last year.

Registration, hotel reservations, and the event brochure are available on the National Propane Gas Association's (NPGA) website at www.npga.org. For more information, contact NPGA at (202) 466-7200 or registration@npga.org.



PROPANEDAYS

June 9-11, 2008 | Washington, DC

Soil Nematode Research Shows Promise for Propane

Propane heat may be the answer for fruit and vegetable producers looking for new, environmentally friendly methods to control soil nematodes. Nematodes are microscopic parasites that invade plant roots, severely damaging their development. This damage impairs the plant's ability to absorb nutrients, which can significantly reduce yields.

Farmers previously injected methyl bromide, a chemical fumigant, into the soil to eliminate the pests. Methyl bromide has been identified as an ozone-depleting substance and is being phased out this year by the Environmental Protection Agency (EPA). Other chemical treatments are available, but many are more difficult to apply and not as effective as methyl bromide.

Heat, however, is a proven method of controlling these pests without the drawbacks seen in chemical treatments. With that in mind, PERC partnered with the Gas Technology Institute (GTI) and United States Department of Agriculture

(USDA) scientists to research and develop a new method of soil nematode control that would utilize propane-powered heat to kill the pests. One of the first challenges was determining the most efficient means to transfer heat deep enough into the soil to eradicate nematodes.

Research began with lab and field tests to investigate six different heat application technologies and necessary steam levels for effective nematode control. Researchers targeted crops with short growing periods, like tomatoes and strawberries, that are easiest to treat. Preliminary results show aerated steam to be the most successful method.

Based on these results, PERC teamed up with GTI for a second phase research project to study propane's potential to control unwanted pests in the soil. This project will involve building a prototype, field testing that prototype, and then developing a plan for commercialization.

PERC is very optimistic about the role propane could play as methyl bromide is phased out, and agriculture producers look for other viable methods to control soil nematodes. Early markets for this technology include strawberry and tomato producers; other high value crops will also be able to utilize this technology.

"There is great potential for market growth if propane-fueled steam heat becomes a recognized alternative to methyl bromide by organic and conventional agricultural producers," said Mark Leitman, director of agriculture programs for PERC.

"Commercialization of the propane-fueled technology in early target markets such as California and Florida could increase propane sales by 10 million gallons per year in the off-peak season."

To learn more about this effort, or other PERC research efforts, visit www.propanecouncil.org/rd.

Dispensing Propane Safely into Agricultural Equipment

PERC recently released a new training manual targeted to those who refuel mobile agricultural equipment. The manual, *Dispensing Propane Safely into Agricultural Equipment*, covers the proper steps for transferring propane into tanks that are permanently mounted on farm equipment.

The manual includes sections that focus on training requirements for individuals transferring propane; propane properties and safety; transfer equipment; transfer procedures; a propane material safety data sheet; and a quiz, answer key, and certificate of completion.

Dispensing Propane Safely into Agricultural Equipment was developed through a joint effort of the Agriculture

Advisory Committee and the Safety & Training Advisory Committee. Members of both committees participated

in the Agriculture Safety Subcommittee, which was formed to guide the development of this manual. The subcommittee also included agriculture equipment manufacturers, curriculum writers, and representatives from the U.S. Department of Agriculture.

Copies of the manual can be purchased through the Propane Industry Catalog (item #003700) by calling (866) 905-1075 or

visiting www.propanecatalog.com.

For more information, contact PERC's Mark Leitman at mark.leitman@propanecouncil.org or (202) 452-8975.



New Propane Vehicles Hit the Road

The word is getting out: Propane-fueled vehicles are cost efficient and environmentally friendly, and they're selling as fast as they can be made. The Roush F-150 propane pickup and the Blue Bird Vision school bus began rolling off production lines and joining fleets across America in January, providing a clean alternative to gasoline- and diesel-powered vehicles.

The introduction of the two new vehicles is generating momentum for propane as a smart fuel for on-road vehicles. Propane provides a clean, reliable, and safe way to fuel engines at a good value with no sacrifice in performance. Propane-fueled vehicles compare favorably with their gasoline counterparts on power, acceleration, and cruising speeds.

Building on this momentum, the propane industry this year will increase its efforts to market the F-150 pickup and the Vision school bus to fleets, school districts, and builders in the United States. Outreach activities include:

- **Marketing Materials:** For both the F-150 and the Vision, PERC worked with these OEMs to create dealer kits, complete with selling strategies, technology specifications, and a guide to the benefits of propane. These kits are available to the propane industry, as well as to dealers, as an educational tool for learning more about the vehicles. The marketing materials are available on the Propane Marketing

Resource Center (MaRC) at <http://members.propanecouncil.org>.

- **Roadshows:** Following the success of the Texas Roadshow in September, other states are starting to plan for these propane-fueled vehicles to tour their states. Fleet managers and school districts are more likely to choose a propane-fueled vehicle after test-driving it first.
- **Trade Shows:** The propane industry will showcase the F-150 at national shows such as the Alternative Fuels & Vehicles Conference and Expo and the National Association of Pupil Transportation. At the International Builders' Show (IBS) in February, the propane industry held a raffle for one of the trucks, as a means of enticing builders to add propane to their fleets.

PERC is also working with R.L. Polk, a well-respected automotive data research firm, to look at the attitudes, challenges, expected trends, and decision-making dynamics among fleet managers. Polk will survey a random sample of managers, and the information gathered will be used to refine current marketing plans and strategies as well as help establish sales priorities and segment buyers. The research will be made available to the industry.

For more information about the Vision school bus, visit www.propanevision.com. For more information on the Roush F-150, visit www.propanetruck.us.

Find a Roush Propane F-150 Dealer

Looking to purchase a propane-powered Roush F-150 pickup truck? Visit www.propanetruck.us to find an authorized dealer near you.



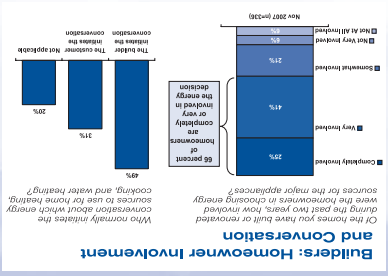
Why Choose a Propane School Bus?

Blue Bird offers the following selling tips, among others, in the Blue Bird Dealer Kit. The kit can be downloaded from the Propane Marketing Resource Center (MaRC) at <http://members.propanecouncil.org>.

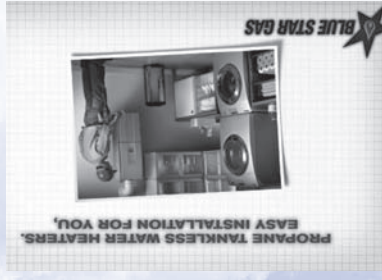
- Propane fuel costs less than diesel.
- Propane lowers operating and maintenance costs.
- Propane users are extremely loyal; once customers embrace propane, they tend not to go back to using other fuels.
- Tax incentives are available for purchasing propane vehicles and propane fuel.
- With approximately 70,000 miles of pipelines and more than 5,000 propane marketers throughout the United States, propane is readily available.
- Propane is environmentally friendly.



Did You Know? Propane generates fewer greenhouse gas emissions per Btu than 70 percent of today's fuel options. For on-site emissions alone, propane has lower carbon content than gasoline, diesel, heavy fuel oil, and ethanol – just another example that propane's carbon footprint is lower than that of many other fuels.



Survey Shows Consumers Give Propane High Marks Page 6



Putting the MarC to Work for You Page 4-5



New CETP Books Available Pages 2-3

INSIDE THIS ISSUE

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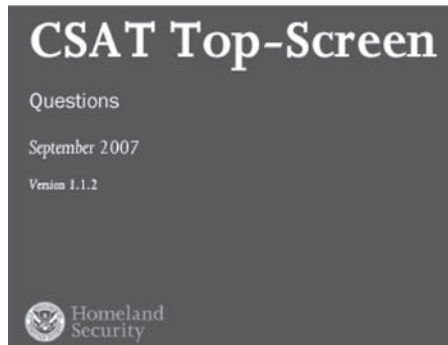
- 1** DHS and CFATS: 2007's Biggest Federal Regulatory Story
- 1** Status of DOT Hours of Service Rules
- 2** Complying with Propane Pipeline Operator Public Awareness Regulations
- 2** Recap of 2007 Federal Regulatory Actions

DHS and CFATS: 2007's Biggest Federal Regulatory Story

On April 9, 2007, the Department of Homeland Security (DHS) published the Chemical Facility Anti-Terrorism Standards (CFATS) regulations along with a proposed list of chemicals (known as Appendix A) for which the CFATS would apply. The regulation became effective June 8, 2007 and required covered chemical facilities that possess any chemical in an amount greater than the threshold quantity established in Appendix A to complete a DHS Chemical Security Assessment Tool (CSAT) Top-Screen questionnaire:

- when notified by the Assistant Secretary of DHS; or
- within 60 calendar days of the publication in the *Federal Register* of the final Appendix A to Part 27—DHS Chemicals of Interest.

The final Appendix A was published in the *Federal Register* on Tuesday, November 20, 2007 and established a deadline of January 19, 2008, for chemical facilities to submit the Top Screen questionnaire. For the propane industry, any facility that possesses (or later comes



into possession of) propane in quantities greater than or equal to 60,000 pounds (approximately 14,285 gallons) must complete the Top-Screen questionnaire. Also note that, for purposes of compliance with CFATS, facilities that possess propane in tanks of 10,000 pounds or less do not need to count these amounts toward the overall quantity of propane stored onsite. In addition, the required Top-Screen questionnaire can only be filed online using secured internet server connections. For additional information on the DHS requirements, visit www.dhs.gov/chemicalsecurity.

Status of DOT Hours of Service Rules

Driver hours of service (HOS) rules have been the subject of several court challenges since they were first announced by the Federal Motor Carrier Safety Administration (FMCSA) in 2005. The most recent court ruling occurred in July 2007 when a federal court vacated the 11-hour daily driving limit and the 34-hour restart provisions of the HOS rules. A stay was granted until December 2007, which prevented the court from implementing this ruling and allowed FMCSA enough time to determine how it would address the court's findings.

The court found that the HOS rules are not based on valid studies that prove drivers can safely operate commercial motor vehicles under the HOS limitations. FMCSA has been accumulating driver safety data from trucking industry and academic sources to support their view that the HOS rules have not decreased safety since their introduction.

To that end, FMCSA issued an Interim Final Rule (IFR) on December 17, 2007, in which the agency reinstated the 11-hour daily driving limit and the 34-

Continues on page 2



Complying with Propane Pipeline Operator Public Awareness Regulations

In a final rule effective January 14, 2008, and published in the December 13, 2007, edition of the *Federal Register*, the Pipeline and Hazardous Materials Safety Administration “relaxed regulatory requirements governing public awareness programs conducted by operators of master meter systems and certain operators of petroleum gas systems.” Until this final rule was published, propane pipeline operators would have been required to meet the public education standards for natural gas pipeline operators set out in American Petroleum Institute-recommended Practice 1162 (API RP 1162). The requirements for master meter and propane pipeline operators are:

§ 192.616 Public awareness

(h)...The operator of a master meter or petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008. ...

(j) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

- (1) A description of the purpose and reliability of the pipeline;
- (2) An overview of the hazards of the pipeline and prevention measures used;
- (3) Information about damage prevention;
- (4) How to recognize and respond to a leak; and
- (5) How to get additional information.

Recap of 2007 Federal Regulatory Actions

Many of the propane-related regulatory changes or new rules announced in the *Federal Register* during 2007 were required by congressional statutes, presidential directives, or court rulings. Others, such as updates to the Hazardous Materials Rules, reflected efforts to bring regulations into closer alignment with international standards, or—in the case of occupational safety and health standards—to incorporate by reference more recent editions of related industry standards.

For some Federal Motor Carrier Safety Administration actions, the new regulations were needed to coordinate federal and state motor carrier and commercial motor vehicle driver records and implement national safety rating programs. Other federal department and agency actions were necessary to coordinate with regulatory authority given to the Department of Homeland Security.

Some of the new or revised propane-related federal regulations published in 2007 are listed in the table on pages 3-4.



Status of DOT Hours of Service Rules, continued from page 1

hour restart provision. In doing so, the IFR allows for public comment on the methodology the agency used to determine the HOS rules, and it also allows the trucking industry to continue operating under the current HOS rules to avoid any further chaos or confusion as to which regulations apply.

Federal Register Date	Department/Agency	Subject, Regulatory Change, or Compliance Procedure Change
January		
<i>Federal Register</i> / Vol. 72, No. 16 / Thursday, January 25, 2007 / Rules and Regulations, pp 3492 - 3604	Department of Homeland Security/Transportation Security Administration	<p>The Department of Homeland Security set out regulations requiring persons working within maritime ports to undergo a security background check and obtain a Transportation Worker Identification Credential (TWIC). Regulations establish those disqualifying offenses that would prohibit the issuance of a hazardous materials endorsement (HME) required for the issuance of a TWIC or a Commercial Driver License (CDL). A CDL with HME is required for propane delivery personnel.</p> <p>Effective Date: March 26, 2007</p>
April		
<i>Federal Register</i> / Vol. 72, No. 67 / Monday, April 9, 2007 / Rules and Regulations, pp 17688-17745	Department of Homeland Security	<p>The Department of Homeland Security (DHS) issued this interim final rule (IFR) for the security of certain chemical facilities that handle or store chemicals listed in an appendix to the regulations. These rules establish risk-based performance standards for the security of chemical facilities.</p> <p>Effective Date: 60 days after publication of Appendix A to the regulation; (See November Entry for Appendix A).</p>
July		
<i>Federal Register</i> / Vol. 72, No. 128 / Thursday, July 5, 2007/ Rules and Regulations, pp 36760 - 36791	Department of Transportation/ Federal Motor Carrier Safety Administration	<p>This final rule made changes in the regulations administered by FMCSA to ensure the rules are consistent with the applicable statutes that went into effect in 2005. Most notably, the final rule codifies into regulation an exemption from the FMCSA regulations for propane drivers who need to respond to an emergency condition. The provision is noted below.</p> <ul style="list-style-type: none"> ▪ § 390.3(f)(7) provides certain exceptions to FMCSA rules for "Either a driver of a commercial motor vehicle used primarily in the transportation of propane winter heating fuel or a driver of a motor vehicle used to respond to a pipeline emergency, if such regulations would prevent the driver from responding to an emergency condition requiring immediate response as defined in §390.5." ▪ The corresponding definition in §390.5 is: "<i>Emergency condition requiring immediate response</i> means any condition that, if left unattended, is reasonably likely to result in immediate serious bodily harm, death, or substantial damage to property. In the case of transportation of propane winter heating fuel, such conditions shall include (but are not limited to) the detection of gas odor, the activation of carbon monoxide alarms, the detection of carbon monoxide poisoning, and any real or suspected damage to a propane gas system following a severe storm or flooding. An "emergency condition requiring immediate response" does not include requests to refill empty gas tanks. In the case of a pipeline emergency, such conditions include (but are not limited to) indication of an abnormal pressure event, leak, release or rupture." <p>In addition, states are required to share driver violations with FMCSA to maintain up-to-date driver violation and safety records. Affected rules include:</p> <ul style="list-style-type: none"> ▪ FMCSA determination of motor carrier safety ratings ▪ Consequences for carriers receiving an "unsatisfactory" rating <p>Effective Date: September 4, 2007</p>
<i>Federal Register</i> / Vol. 72, No. 141 / Tuesday, July 24, 2007/ Rules and Regulations, pp 40250 - 40252	DOT/Federal Motor Carrier Safety Administration	<p>FMCSA gave notice of a guideline to interpret the meaning of accident related to vehicle fires: "A fire or explosion in a commercial motor vehicle (CMV) operating on a highway in interstate or intrastate commerce would be considered an 'accident' if it resulted in a fatality; bodily injuries requiring the victim to be transported immediately to a medical facility away from the scene; or disabling damage requiring the CMV to be towed. A collision is not a pre-requisite to an 'accident' under § 390.5."</p> <p>Effective Date: July 24, 2007</p>

<i>Federal Register</i> Date	Department/Agency	Subject, Regulatory Change, or Compliance Procedure Change
November		
<i>Federal Register</i> / Vol. 72, No. 220 / Thursday, November 15, 2007 / Rules and Regulations, pp 64342 -64430	Department of Labor/ Occupational Safety & Health Administration	Where and when Occupational Safety and Health Administration (OSHA) standards require employers to provide their employees with protective equipment, including personal protective equipment (PPE), under this final rule OSHA is requiring employers to pay for the PPE provided, with exceptions for specific items. Effective Date: February 13, 2008 (The final rule must be implemented by May 15, 2008.)
<i>Federal Register</i> / Vol. 72, No. 223 / Tuesday, November 20, 2007 / Rules and Regulations, pp 65396 - 65435	Department of Homeland Security	Revised the list of chemicals of interest and threshold amounts which the Department of Homeland Security (DHS or the Department) included as Appendix A to the Chemical Facility Anti-Terrorism Standards Interim Final Rule, and set the deadline (January 19, 2008) for completing a Top-Screen security filing for each location that stores 60,000 pounds or more of propane. Effective Date: January 19, 2008
<i>Federal Register</i> / Vol. 72, No. 222 / Monday, November 19, 2007/ Rules and Regulations, pp 65136 – 65170	Department of Energy	Increased the minimum Annual Fuel Utilization Efficiency (AFUE) ratings for residential gas furnaces and boilers manufactured after November 19, 2015. Effective Date: January 18, 2008
<i>Federal Register</i> / Vol. 72, No. 226 / Monday, November 26, 2007 / Notices, pp 65974 - 65980	Department of Homeland Security/U.S. Citizenship and Immigration Services	Employers are required to use the Form I-9 to verify the identity and employment authorization of newly hired employees. As of November 7, 2007, the amended Form I-9 (Rev. 06/05/07)N is the only valid version of the form that can be used to meet this regulatory requirement. Employers may access the amended Form I-9 online at http://www.uscis.gov . Effective Date: November 26, 2007
December		
<i>Federal Register</i> / Vol. 72, No. 239 / Thursday, December 13, 2007 / Rules and Regulations, pp 70808 - 70810	Department of Transportation/ Pipeline & Hazardous Materials Safety Administration	This final rule relaxes requirements for public education programs for operators of a master meter or petroleum gas system covered under paragraph (j) of 49 CFR § 192.616 (Public Awareness). Development of written continuing public education program procedures must be completed by June 13, 2008. Effective Date: January 14, 2008
<i>Federal Register</i> / Vol. 72 No. 241 / Monday, December 17, 2007 / Rules and Regulations, pp 71247 - 71270	Department of Transportation/ Federal Motor Carrier Safety Administration	FMCSA amended the Federal Motor Carrier Safety Regulations to allow commercial motor vehicle (CMV) drivers up to 11 hours of driving time within a 14-hour, non-extendable window from the start of the workday, following 10 consecutive hours off duty (11-hour daily driving limit). This interim final rule also allows motor carriers and drivers to restart calculations of the weekly on-duty time limits after the driver has at least 34 consecutive hours off duty (34- hour restart). Effective Date: December 27, 2007

Do you have compliance issues or concerns that are of particular interest to you and that would be helpful to others in the propane industry if covered in this newsletter?

Send your feedback to PERC's Stuart Flatow at stuart.flatow@propanecouncil.org or (202) 452-8975.