

WINTER 2007-2008

## New Research Highlights Opportunities for Propane in a Competitive Housing Market

The downturn in the housing market is impacting the propane industry. ICF International (Fairfax, VA) forecasts a decline not only in housing starts, but also in the residential remodeling and manufactured housing markets. This decline, in turn, is affecting the growth of new residential propane customers.

However, new research shows that propane's unique qualities differentiate it from competing energy sources. Propane marketers can continue to add new customers by selling its values: reliability, efficiency, and environmental friendliness.

This research was sponsored by PERC, and provides the industry with intelligence to increase share in a competitive residential market. By highlighting propane appliances and emphasizing propane's values

to those who influence home energy decisions, the industry can increase its opportunities to grow in the residential sector.

The research findings include:

- Propane is increasingly being seen as a premium fuel, desired by those who want the natural gas experience in areas where natural gas is not available.
- It's important for the propane industry to emphasize the value propane brings to homeowners and building professionals. Builders and prospective consumers alike believe the attributes that make propane a good value include the comfort it provides in the home, product characteristics such as warm heat, and immediate heat, efficiency, and long-term savings.



Tankless Water Heater

- The industry should build on the value of propane in cooking and water heating when talking to prospective consumers. These applications represent an entry point into the home and a platform for discussing propane as an efficient energy source for the home.

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## PERC Forms Market Development Task Force

The Propane Education & Research Council (PERC) recently created a Market Development Task Force to review options for growing propane markets based on the recent downturn in the housing market and industry feedback received through strategic planning.

The charge of the task force is to look at the most recent data on propane trends, analyze the work being done by the industry by market segment, consider current allocation of PERC's resources, and make recommendations to maximize PERC's impact on increasing the use of propane.

In the coming months, the task force will seek to realign PERC's resources to focus on commercialization; that is, the full spectrum of activities required to move a new technology, product, or process from the conceptual stage to the marketplace with a new product or process actually being produced and sold. Facilitating the introduction of new technology into the marketplace is one of the primary ways PERC can help the industry grow.

For more information, contact PERC's Brandon Robinson at (202) 452-8975 or [brandon.robinson@propanecouncil.org](mailto:brandon.robinson@propanecouncil.org).

# Marketing Tools at Your Fingertips

Logon to the Propane Marketing Resource Center (MaRC) today to access the latest PERC marketing materials and put them to work for your business. A few of the most recent items include:

- All five Campaign Extension Program marketing kits
- The latest builder/consumer market research
- NEW homebuyer kit
- NEW builder brochure

If you haven't visited the MaRC lately, logon at <http://members.propanecouncil.org> and see what you're missing. For assistance, contact PERC's Kelly Harris at [kelly.harris@propanecouncil.org](mailto:kelly.harris@propanecouncil.org) or (202) 452-8975.

"The Propane Marketing Resource Center (MaRC) and now PERC's Campaign Extension Program has played an instrumental role in all of Paraco's marketing initiatives, allowing us to complete the perfect campaign."

— Mike Gioffre, vice president of sales & marketing, Paraco Gas (Rye Brook, NY)



## New Research *continued from page 1*

- The findings highlight the importance of focusing on the builder to increase propane usage in new home construction. In particular, efforts should continue to enhance the interaction between the builder and consumer during a home energy decision, too.

The propane industry has broadly included prospective consumers and building professionals in its marketing efforts for years. This new research and, more specifically,

a segmentation analysis, will allow marketers to target these audiences more directly in the future.

The study was conducted by Harris Interactive (Reston, VA) and was carried out among building professionals who are involved in residential construction projects off the natural gas main and consumers who have built a custom or semi-custom home or renovated their existing home off the main in the past five years. Also included in the research were individuals who

plan to build or convert an appliance in the next five years (prospective consumers) and those who live in a zip code where greater than 20 percent of the homes use propane and less than 50 percent of the homes use natural gas. This Harris Poll® was conducted online within the United States in October among 2,565 adults.

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

## The Role of Building Professionals and Consumers in the Energy Decision

The findings highlight the importance of focusing on the builder to increase propane usage in new home construction. In particular, efforts should continue to enhance the interaction between the builder and consumer during a home energy decision. Marketing activities should be to help builders and consumers recognize the quality of life and comfort propane brings to a home.

For those builders who currently use propane, it is important to reinforce existing positive perceptions and translate those into messages that will allow other builders to experience the value of propane. For consumers, the objective is to get them to come to building professionals with the right questions, e.g., which energy source will be most comfortable in my home or provide long-term value?

## Cooking and Water Heating Represent Entry Points into the Home

The findings show the importance of building on the perceived value of propane in cooking and water heating among prospective consumers. These applications represent an entry point into the home. In addition, interest in cooking and water heating provide an opportunity to promote specific propane products. In particular, the tankless or on-demand water heater is an appealing product for prospective consumers. After reading a description of the product, nearly nine-in-ten (89 percent) of those surveyed said they are at least somewhat likely to consider purchasing a tankless water heater in the future.

# Reaching Out to Homebuilders and Home Buyers

Campaign includes partnerships with national media partners

You may be seeing the “For Sale” signs in neighborhoods throughout the U.S — the housing market is in a slump and the effects are rippling throughout many industries, including the propane industry.

This year the propane industry’s consumer education campaign addressed this downturn in the housing market by increasing its focus toward those who are continuing to build — custom builders and their customers. The 2008 campaign will continue this effort.

This fall the industry partnered with TV networks DIY and HGTVPro as well as Hanley Wood, a publishing company serving housing and construction, to increase awareness of propane’s benefits when used in building projects. Propane has always provided exceptional value for homeowners, and the industry is making a focused effort to spread this message to important decision makers in the home building industry.

In an effort to directly reach builders and their customers, propane is featured in three integrated television programs:

- The five-part series “Move It Outside,” began airing on the DIY network in September. It follows a Tennessee couple as they renovate their entire backyard in time for a family reunion -- with a new underground propane tank fueling outdoor appliances like the grill, pool heater, hot tub, fireplace, firepit, and outdoor shower. The series aired through mid-November.
- Propane is the energy source for

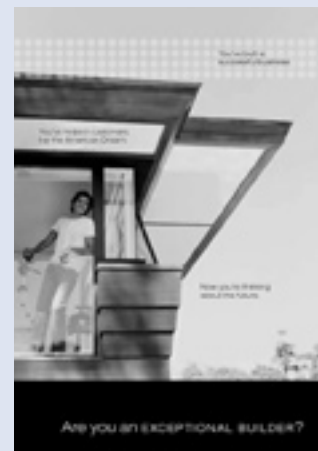
HGTVPro’s 2008 Dream Home that was built in Islamorada, FL. “HGTVPro Weekly” will show short videos as part of the “Building the 2008 Dream Home” series, tracking the construction of the home. In one of these videos, the builder discusses his choice to include propane and the benefits of using it. The program also shows the installation of the underground tank that will fuel a tankless water heater, cooktop, grill, and standby generator. These videos will also be available on HGTVPro.com.

- An episode of “Ask This Old House” shows how to replace an electric oven with a propane cook-top for all the benefits of cooking with gas.

PERC also partnered with the leader in builder marketing, Hanley Wood, to bring a robust builder marketing plan to life this fall. Key elements of the Hanley Wood program include an eight-page propane-focused brochure in key builder publications, participation in tradeshow, market intelligence, and online advertising and content. The program also included the launch of a new website: [www.buildwithpropane.com](http://www.buildwithpropane.com). This site will give builders more detailed product information, educational resources, and ultimately direct them to a propane retailer.

For more information on propane industry partnerships with homebuilders and home buyers, contact PERC’s Tracy Burleson at (202) 452-8975 or [tracy.burleson@propanecouncil.org](mailto:tracy.burleson@propanecouncil.org).

## New Builder Brochure Available



This new eight-page brochure tells a comprehensive story about propane and its value, positioning it as a solution for builders looking for an edge in a difficult housing market. The brochure was created in partnership with Hanley Wood, the leading media company serving America’s housing industry, and was inserted in six national builder magazines in November. In addition, the brochure drives builders to another important element of the expanded builder outreach program, which is the new website [www.buildwithpropane.com](http://www.buildwithpropane.com).

The brochure is available for download on the Propane Marketing Resource Center (MaRC) at <http://members.propanecouncil.org>. It is also available to order through the Propane Resource Catalog at [www.propanecatalog.com](http://www.propanecatalog.com) or (866) 905-1075 (item number PRC 008222, \$12.65/25 per pack).

**Tip:** Send builders to [www.buildwithpropane.com](http://www.buildwithpropane.com) for information on the benefits of building with propane.

# Safety and Training Resources

## Cathodic Protection Program in 2008

Cathodic protection is an important method that the propane industry uses to guard against corrosion of underground propane tanks and black iron or steel piping. However, aside from some information in the industry's Certified Employee Training Program (CETP), there is no industry-wide instructional program on cathodic protection to explain the importance and details of cathodic protection.

That's why PERC is developing a cathodic protection program for the propane industry, which will be available in spring 2008. It will provide information on the what, how, and why of cathodic protection. Similar to the "Dispensing Propane Safely" program, the cathodic protection program will be a self-study available in two packaged kits: (1) text and VHS, and (2) CD and DVD. For more information, contact PERC's Stuart Flatow at [stuart.flatow@propanecouncil.org](mailto:stuart.flatow@propanecouncil.org) or at (202) 452-8975.

## Revised CETP Books

The revised Certified Employee Training Program (CETP) textbooks *Basic Principles & Practices*, *Propane Delivery Operations & Cylinder Delivery*, and *Bobtail Delivery Operations* will be available the first quarter of 2008. The new text will incorporate all of the revisions made during the development of the three CETP E-Learning DVDs of the same titles.

The new textbooks will be printed in color with updated graphics and a pre-certification review at the end of each book. As with the e-learning DVDs, the text will include all learning objects within the curriculum as well as a glossary and resources section. For more information on the revised CETP books, contact PERC's Stuart Flatow at [stuart.flatow@propanecouncil.org](mailto:stuart.flatow@propanecouncil.org) or at (202) 452-8975. To order CETP textbooks or e-learning DVDs, visit the Propane Resource Catalog at [www.propanecatalog.com](http://www.propanecatalog.com) or (866) 905-1075.

## Updated Safety and Training Website

PERC's safety & training website, [PropaneSafety.com](http://PropaneSafety.com), was recently relaunched with a face lift to allow marketers to access information easier and quicker than ever before. The revised site will no longer require a password to logon, making it simple to access important safety information.

Some of the new features include a comprehensive one-click navigation, which provides quick access to new safety tips, helping the industry stay at the forefront of safety and training. A universal search tool on the new website will allow users to search the entire site as well as the Regulatory Compliance section. For more information on [PropaneSafety.com](http://PropaneSafety.com), contact PERC's Vincent Sibilias at [vincent.sibilias@propanecouncil.org](mailto:vincent.sibilias@propanecouncil.org) or (202) 452-8975.

## PropaneSafety.com



**Safety Tip:** Do you have a question about installing your CETP E-Learning DVD or STARS, the Safety & Training Administrative Records System? Visit [PropaneSafety.com](http://PropaneSafety.com) to watch the latest video tutorials.

# New Propane Emergencies Facilitators Guide Available

American fire fighters are on the frontlines every day, and the propane industry is keeping them equipped with training tools to handle almost any situation involving propane. One of the industry's most successful safety efforts is the Propane Emergencies Program, which provides educational materials and training to propane retailers and first responders.

A revised Facilitator's Guide for the program was released this fall, giving trainers the tools they need to effectively provide classroom education to first responders on propane safety. This guide follows the newly released Propane Emergencies third edition textbook.

The revised Facilitator's Guide is on a DVD/CD format, and includes computer-generated emergency response scenarios

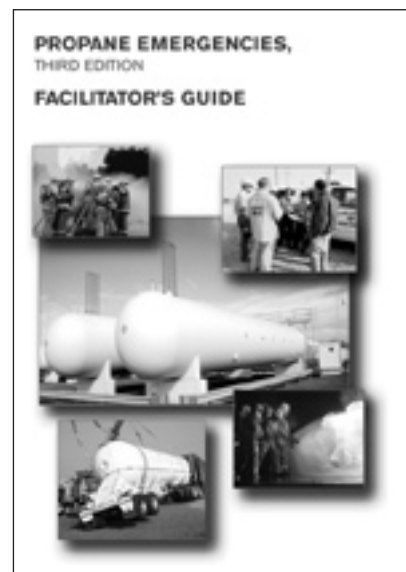
and video clips that illustrate various emergency situations. The guide also provides new targeted training for major audiences such as wildfire responders and law enforcement.

Since its inception in 1998, the Propane Emergencies Program has trained more than 200,000 firefighters on safe responses to propane-related incidents and has been adopted by over 27 state fire training academies. The program was introduced by the National Propane Gas Association (NPGA) with funding from PERC.

The Facilitator's Guide can be purchased through the Propane Resource Catalog at [www.propanecatalog.com](http://www.propanecatalog.com) or (866) 905-1075. The guide can also be downloaded at [www.propanesafety.com](http://www.propanesafety.com).

For more information on the Propane Emergencies Program,

contact PERC's Stuart Flatow at (202) 452-8975 or [stuart.flatow@propanecouncil.org](mailto:stuart.flatow@propanecouncil.org).



## Consumer Safety Education: Keeping Families Safe During a Natural Disaster

There are a lot of things to worry about when a natural disaster strikes, and a customer's propane supply or appliances should not be one of them. A new suite of emergency response brochures will provide information about how to keep families using propane safe before, during, and after a natural disaster.

Nine brochures have been developed to cover specific instructions when faced with wildfires, tornadoes, thunderstorms, winter storms, hurricanes, power outages, extreme heat, earthquakes, and floods. By taking a few simple propane-related safety precautions, families can reduce the potential for property loss, personal injury, and even death.

As with other propane consumer safety materials, these brochures include easy-to-understand icons and language that highlight the most critical pieces of information. Some of the basic instructions include:



- Know what propane smells like.
- Know how and where to shut off the outdoor propane supply and indoor propane appliances.
- Do not try to modify or repair valves, regulators, or other appliance parts.
- Never use outdoor propane appliances indoors or in enclosed areas.

The brochures will be available for purchase through the Propane Resource Catalog at (866) 905-1075 or [www.propanecatalog.com](http://www.propanecatalog.com). The brochures and text will also be posted on [www.propanesafety.com](http://www.propanesafety.com).

For more information, contact PERC's Stuart Flatow at (202) 452-8975 or [stuart.flatow@propanecouncil.org](mailto:stuart.flatow@propanecouncil.org).

# Propane-Powered Energy Project Planned for Texas Dairy

A new propane-powered energy efficiency project will be tested on a Texas dairy farm thanks to a grant from the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS). The combined heat and power (CHP) system is intended to improve the energy efficiency as well as reduce the environmental impact of the 250-head, commercial dairy operation.

PERC and the Railroad Commission of Texas will use the \$75,000 Conservation Innovation grant to install the system on the farm. NRCS provides grants to organizations that will develop or utilize innovative technologies to provide solutions to environmental issues affecting the agriculture industry.

"PERC is excited about propane's role in the use of CHP technology to provide efficient energy for dairy farms," said PERC Director of Agriculture Programs Mark Leitman. "We see cogeneration as one more way that propane can help U.S. farmers and producers to improve agricultural practices and increase the use of environmentally friendly propane."

The CHP system will use three propane-fueled micro-cogenerators to produce electricity. A portion of the engines' waste heat will be recovered from the exhaust system and be used for "tri-generation" to increase the energy efficiency of the dairy operation. Tri-generation uses the recovered waste heat both to heat water to sanitize the dairy shed and equipment, and to operate an absorption chiller. This eliminates the need for additional energy to operate a water heater and an electrical, chemically refrigerated chiller. Because propane is non-toxic, using the waste heat to operate the chiller also eliminates the risk of a chemical refrigerant leak.

## New Agriculture Safety Materials

PERC recently developed new safety materials in a continuing effort to help farmers and other consumers use propane safely in the home and on the farm. New training materials provide farmers with instructions on how to safely refuel mobile propane-powered agricultural equipment, in direct response to the growing use of propane in these applications in recent years. *Dispensing Propane Safely in Agriculture Equipment* is

scheduled to be available in early 2008 through the Propane Resource Catalog at [www.propanecatalog.com](http://www.propanecatalog.com) or (866) 905-1075.

## Cotton Defoliator

To ensure an efficient harvest, cotton growers must defoliate their plants, removing green leaves that hamper harvesting efforts. PERC is currently testing a solution to this problem through propane-powered thermal defoliation. Initial test results with a two-row prototype unit showed positive results on cotton yields. More recently, construction was completed on a larger six-row unit (pictured below), and testing has begun with this machine on an organic farm in Helm, CA.



Cotton Defoliator

For more information, call (202) 452-8975 or visit [www.agpropane.com](http://www.agpropane.com).

## PERC Launches Project to Develop Gas-Cooling Technology

The development of viable propane-powered gas-cooling technology remains a priority for the propane industry due to its potential for increasing summer load and countering the seasonal demand cycle. Gas-cooling technology refers to any system that uses gaseous fuel, such as propane, to cool a given space. Due to recent reliability and economic concerns with the electric grid, gas-cooling technologies have

become a more attractive alternative to standard electric systems.

A recent study by the University of Illinois – Chicago, funded by PERC, identified engine driven heat-pumps as having significant potential for near-term commercialization. Drawing upon the results of that study, PERC is partnering with Blue Mountain Energy (Las Vegas, NV) and Southwest Gas (Las Vegas, NV) to develop a 10-ton (RT) propane-fueled

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# Propane Commercial Mowers – Going Green on the Green

**P**ropane-powered mowers are becoming popular as an alternative to gasoline and diesel mowers, especially with increasing environmental regulations and the continued escalation of conventional fuel prices.

As awareness of environmental concerns grow, regulations continue to drive reductions in harmful emissions from internal combustion engines. Propane-powered commercial mowers present the industry with a real opportunity to meet these market challenges and add new seasonal gallons.

As approved by the U.S. Environmental Protection Agency and the California Air Resources Board (CARB), propane is considered a clean, alternative fuel. Propane mowers have many environmental benefits that include:

- Propane is a nontoxic, nonpoisonous fuel. As a result, propane will not contaminate aquifers or soil.



## Propane-powered mowers

- The low emissions benefits of propane mowers make them ideal for use at airports, and municipalities, national and regional parks, and federal and local governments focusing on low emissions alternatives.
- Propane's octane rating is 104 (compared to premium gasoline at 91-92), allowing for a higher compression ratio in the engine and greater engine efficiency, which ultimately leads to reductions in certain exhaust emissions.

Several cities have banned or limited the use of gasoline-powered commercial mowers before 1 p.m. on Ozone Action Days. Propane mowers are exempt from this ban, allowing businesses to operate normally and keep revenues flowing.

While gasoline has served the lawn and garden industry well, more and more consumers are switching to propane. Propane mowers offer two operational advantages as well as environmental advantages such as mower performance and ease of refueling.

Propane-powered mowers use larger fuel tanks that can enable extended mowing times and cover a greater mowing area in one fueling. In the event that you need to refuel during a big job, the fuel tanks are easy to transport and quick to change, thereby increasing productivity. With conventional mowers, more frequent refueling is often required and, because most operators use the traditional "plastic" gasoline containers, fuel is often spilled or wasted.

Storage of propane fuel is convenient and flexible, too. One solution is to use a cylinder exchange program. Propane companies typically offer various styles of cylinder storage lockers and cages that allow for safe, secure fuel storage. So cylinders could be conveniently delivered to businesses and stored on-site.

Propane commercial mowers are ready and available with additional new products expected to enter the market in 2008. For more information please contact PERC's Sandra Loi at [sandra.loi@propanecouncil.org](mailto:sandra.loi@propanecouncil.org) or (202) 452-8975.

## Gas Cooling Technology *continued from page 6*

engine driven rooftop heat pump for small commercial applications. This project will leverage a \$2.9 million grant Southwest received from the U.S. Department of Energy to develop gas-cooling technologies.

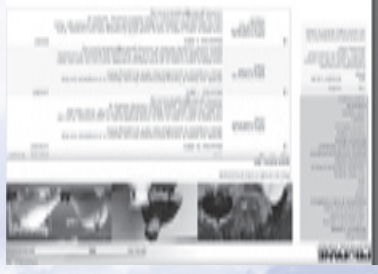
During this project, a 10-ton rooftop unit fueled by propane will be built and tested to prove product performance and reliability. A potential second phase of the project could result in the development of a smaller residential-sized unit.

The market potential for this type of technology is significant. Already, propane is used in nearly 11 percent of commercial buildings (excluding malls). This includes restaurants, retail space, offices, hotels, motels, and houses of worship.

To learn more about propane-fueled gas-cooling technology, visit [www.propanecouncil.org/rd](http://www.propanecouncil.org/rd) or contact PERC's Greg Kerr at (202) 452-8975 or [greg.kerr@propanecouncil.org](mailto:greg.kerr@propanecouncil.org).



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# PROPANE MARKETER COMPLIANCE NEWSLETTER

**PROPANE**  
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## DOT Plans to Reinstate Hours of Service Regulations

The Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA) has reinstated two provisions of the Hours of Service (HOS) regulations that had been previously vacated by the U.S. Court of Appeals in July. The agency reinstated the 11-hour daily driving limit and the 34-hour restart provision as part of an Interim Final Rule (IFR), which was published in the December 17, 2007 *Federal Register*. The effective date for this action is December 27, 2007.

In July, the court vacated the 11-hour daily driving limit and the 34-hour restart provision as a result of a lawsuit stating that FMCSA did not provide adequate opportunity for public comment on the

methodology the agency used to develop the new regulations. The court issued a stay of its mandate until December 27 in response to industry concerns over the impact the ruling would have on the entire trucking industry.

The announcement of this action allows for the continued applicability of these two HOS provisions beyond December 27 while also allowing a 60-day public comment period on the IFR. The deadline for comments is February 15, 2008. FMCSA has indicated they will review all comments and analyses received, and they are committed to issuing a Final Rule on this matter in 2008.

## FMCSA Provides New Guidance and Registration Tool

The recently updated Federal Motor Carrier Safety Administration (FMCSA) website provides a new tool for registering with FMCSA or obtaining operating authority. Registration is available through the online "Help Me Register" feature which is an interactive questionnaire to identify the registration or operating authority requirements that apply to the firm based on the types of commercial motor vehicles operated by the firm and the type of cargo transported.

The new FMCSA registration tool can be accessed at: <http://www.fmcsa.dot.gov/registration-licensing/online-registration/onlineregdescription.htm>



# 2008 Edition of NFPA 58 Addresses Small LP Gas [Jurisdictional Pipeline] Systems

## A Comparison of NFPA 58, 2008, SLGS Requirements to Key Pipeline Safety Regulations

The National Fire Protection (NFPA) Association recently approved revisions to the 2008 edition of NFPA 58, LP-Gas Code, to include requirements for Small LP-Gas Systems (SLGSs). These revisions were added as a new section in Chapter 14 of NFPA 58. As defined in 14.4.1.1:

An SLGS shall be a system with 99 or fewer users connected to a single supply source, except for the following:

1. A system with nine or fewer users where no part of the system is located in a public place.
2. A system supplying one user where the system is located entirely on the user's premises.

Jurisdictional pipeline distribution systems are subject to the requirements of pipeline safety regulations found in Title 49, Parts 191 and 192 of the Code of Federal Regulations. Although the new LP-Gas Code material provides guidance to propane jurisdictional pipeline operators, the requirements in NFPA 58 are not identical to the requirements of 49 CFR Part 192.

In addition, although 49 CFR 192.11 specifies that NFPA 58 requirements prevail if there is a conflict between the NFPA and CFR requirements, the Department of Transportation (DOT) is still operating under the 2004 edition of NFPA 58. Therefore, DOT would need to initiate a rulemaking to begin the process of incorporating by reference NFPA 58-2008.

Pipeline system operators should consult applicable federal and state pipeline safety regulations to determine the extent of their regulatory compliance obligations.

A brief comparison of selected NFPA 58 (2008) SLGS safety requirements and Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations follows. The comparison is not an exhaustive treatment of the subject, and pipeline operators are advised to make their own in-depth comparisons and to analyze their particular compliance program obligations.

NFPA 58 (2008) Small LP-Gas Systems Provisions	PHMSA Regulations [quoted in part]
<p><b>14.4.2 Damage Prevention.</b> Each SLGS shall maintain a damage prevention program to minimize damage to underground portions of the system... each SLGS operator shall register and participate in a one call notification center located in the geographical area of the system location (14.4.2.1).</p>	<p><b>49 CFR §192.614 Damage prevention program</b> ... each operator of a buried pipeline must carry out... a written program to prevent damage to that pipeline from excavation activities... An operator may comply with any of the requirements of paragraph (c) of this section through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with this section....</p>
<p><b>14.4.3 Incident Reporting.</b>  <b>14.4.3.1*</b> In the United States, an incident report shall be filed for incidents that involve one or more of the following:                      (1) The release of gas from the SLGS where death(s) occurs or personal injury resulting inpatient hospitalization occurs.                      (2) The estimated property damage, including the cost of gas exceeds \$50,000.  <b>14.4.3.2</b> Incident reports shall contain an analysis of the cause of the accident, repairs made, and other significant factors.  <b>14.4.3.3</b> Incident reports shall be sent to the authority having jurisdiction.</p>	<p><b>49 CFR §191.3 Definitions</b> (incident)  <b>49 CFR §191.5 Telephonic notice of certain incidents</b> [lists required information that must be reported to 800-424-8802]  <b>49 CFR § 191.9 Distribution system:</b>  <b>Incident report.</b> (a) Except as provided in paragraph (c) of this section, each operator of a distribution pipeline system shall submit Department of Transportation Form RSPA F 7100.1 as soon as practicable but not more than 30 days after detection of an incident required to be reported under §191.5... When additional relevant information is obtained after the report is submitted... the operator shall make supplementary reports as deemed necessary with a clear reference by date and subject to the original report.</p>

<b>NFPA 58 (2008) Small LP-Gas Systems Provisions</b>	<b>PHMSA Regulations [quoted in part]</b>
<b>14.4.4 SLGS Piping System Service Limitations.</b> Pressure limits shall be in accordance with Section 6.9.	This area is unique to NFPA 58.
<b>14.4.5 Odorization.</b> Each delivery to an SLGS shall be tested for the presence of odorization in accordance with 4.2.3. The results of the tests shall be documented.	<b>49 CFR §192.625 Odorization of gas</b>
<b>14.4.6 Construction Records, Maps, and Operating History.</b> Each SLGS operator shall provide construction records, maps, equipment, and operating history of the system and make them available to operating personnel and to the authority having jurisdiction.	<b>49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies</b> <b>49 CFR § 192.491 Corrosion control records</b> <b>49 CFR §192.517 Records</b> (pressure tests)
<b>14.4.7* Key Valve Maintenance.</b> Key valves that are used to shut down the system or parts of the system in case of emergency shall be maintained annually, and the maintenance shall be documented.	<b>49 CFR §192.747 Valve maintenance: Distribution systems</b>
<b>14.4.8 Leak Testing.</b> <b>14.4.8.1</b> Each SLGS shall be tested prior to startup in accordance with Section 6.14. <b>14.4.8.2</b> Each lateral service line that has been disconnected from the main shall be pressure tested in accordance with Section 6.14 before placing it back in service.	<b>49 CFR §192.509 Test requirements for pipelines to operate below 100 p.s.i.g.</b> <b>49 CFR §192.511 Test requirements for service lines</b> (other than plastic) <b>49 CFR §192.513 Test requirements for plastic pipelines</b> <b>49 CFR §192.725 Test requirements for reinstating service lines</b>
<b>14.4.9 Response to Gas Leak Reports and Interruption of Gas Service.</b> <b>14.4.9.1</b> Each system shall have a written procedure for response to reports of gas leakage. All employees who respond to gas leakage calls shall be trained in the procedure.	<b>49 CFR §192.703 General</b> (hazardous leak) <b>49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies</b> <b>49 CFR §192.615 Emergency plans</b>
<b>14.4.10 Operator Qualification and Covered Tasks.</b> <b>14.4.10.1</b> Each SLGS operator shall have a written operator qualification program that includes training for operators and addresses the following areas: (1) Identifies covered tasks (2) Ensures that individuals are qualified (3) Allows unqualified individuals to perform a covered task while under observation by a qualified individual (4) Evaluates the individual's qualifications in the event of an incident (5) Evaluates the individual if there is a reason to believe that the individual is no longer qualified (6) Informs the qualified individual of any changes affecting the covered task (7) Determines intervals for re-qualification (8) Identifies qualified individuals and dates of current requalification (9) Lists covered tasks the individual is qualified to perform (10) Understands qualification methods (11) Keeps the records of individuals performing tasks for a period of five years	<b>49 CFR Part 192, Subpart N, Qualification of Pipeline Personnel.</b> <b>49 CFR §192.801 Scope</b> (including criteria for identifying covered tasks) <b>49 CFR §192.803 Definitions</b> (including "abnormal operating condition" "evaluation" and "qualified") <b>49 CFR §192.805 Qualification Program</b> (minimum requirements for written plan) <b>49 CFR §192.807 Recordkeeping</b> <b>49 CFR §192.809 General</b>
<b>14.4.10.2</b> A covered task shall be an activity identified by the SLGS operator that fulfills all of the following characteristics: (1) Is performed on an SLGS facility (2) Is an operations or maintenance task (3) Is required by Section 14.4 of this code (4) Is an operator who affects the operation or integrity of the pipeline system	

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<b>NFPA 58 (2008) Small LP-Gas Systems Provisions</b>	<b>PHMSA Regulations [quoted in part]</b>
<p><b>14.4.11 Piping System Service Limitations on SLGS Installations.</b>  <b>14.4.11.1</b> Vapor service pressure in distribution mains shall be limited to 30 psig (208 kPag).  <b>14.4.11.2</b> Polyethylene piping system pressure shall not exceed 30 psig (208 kPag).  <b>14.4.11.3</b> Maximum service pressure in service mains shall be maintained at a pressure that prevents re-condensation of LP-Gas vapors to liquid.</p>	<p>This area is unique to NFPA 58.</p>
<p><b>14.4.12 Leak Surveys.</b>  <b>14.4.12.1</b> SLGS leak surveys shall be performed either as necessary or at a minimum of every five years.  <b>14.4.12.2</b> SLGS leak surveys performed using gas detection equipment shall include a subsurface survey where underground piping is a part of the system.  <b>14.4.12.3</b> SLGS leak surveys shall utilize flame ionization detectors, combustible gas indicators, and other means of leak detection.  <b>14.4.12.4</b> Where leakage is found, equipment that gives a numerical reading shall be used to determine the seriousness and location of the leak from multiple test sites, or the leak shall be repaired immediately.</p>	<p><b>49 CFR §192.721 Distribution systems: Patrolling</b>  <b>49 CFR §192.723 Distribution systems: Leakage surveys</b></p>
<p><b>14.4.13 Consumer Education.</b> Annually, each SLGS operator shall provide information to users and other residents in the area of an SLGS.  <b>14.4.13.1</b> Consumer education materials shall include the characteristics and properties of LP-Gas, steps that shall be taken for public safety in the event of a gas pipeline release, and procedures for reporting such an error.  <b>14.4.13.2</b> Consumer education materials shall be furnished to each active connected service location.</p>	<p><b>49 CFR §192.616 Public awareness</b></p>

# States Begin to Implement Unified Carrier Registration (UCR) Fee Requirements

A new program that affects all motor carriers operating in interstate commerce is beginning to be implemented at the state level by designated state agencies.

The Unified Carrier Registration (UCR) program was initially authorized as part of the 2005 Highway Bill and requires ALL motor carriers operating in interstate commerce, including “for-hire” motor carriers, private motor carriers, brokers, freight forwarders, leasing companies, and exempt for-hire motor carriers to pay the UCR fees.

Revenues from the UCR program will fund enforcement of a respective state’s motor carrier safety programs and other safety-related services. These funds will take the place of the old Single State Registration System (SSRS), which had previously received revenue from only “for-hire” motor carriers. The 2005 Highway Bill repealed the SSRS as of January 1, 2007.

DOT’s Federal Motor Carrier Safety Administration (FMCSA) finalized a rule that established the initial UCR fees for 2007 and a fee bracket structure on August 24, 2007. There are a total of six fee brackets, each containing a range of CMVs that correspond to a given fee amount as noted:

Bracket	Number of total CMVs	Company pays
B1	0-2	\$39
B2	3-5	\$116
B3	6-20	\$231
B4	21-100	\$806
B5	101-1000	\$3840
B6	1001 and above	\$37,500

The UCR fee structure is based on the total number of commercial motor vehicles operating in interstate commerce. Those CMVs that operate in only intrastate commerce do not have to be counted toward the total number for purposes of the UCR fee payment. The UCR fee also does not apply to any companies that operate only in intrastate commerce.

The fees are to be paid to the motor carrier’s designated “base-state.” Motor carriers will have the option of submitting payment online, through mail, or in person.

For additional information on the UCR program, requirements for registration, and registration forms, visit <http://www.ucr.in.gov>.

## Update to Shipping Paper Description Requirements

As part of a rulemaking to make the U.S. hazmat regulations consistent with international hazmat regulations, in early 2007 the Department of Transportation (DOT) revised the shipping paper description requirements contained in 49 CFR 172.202(b).

Prior to the revisions, the basic description shipping paper sequence for a hazardous materials was in this order: *proper shipping name, hazard class, ID number, and packing group*. As a result of the revisions, the agency moved the ID number to the top of the list and shifted the other two items down. Therefore, the new shipping paper description is as follows:

1. ID number
2. Proper shipping name
3. Hazard class
4. Packing group

DOT has permitted a lengthy transition period for this new requirement to allow sufficient time for shippers and affected parties to properly train personnel and allow for the incorporation of the new requirements into the initial and recurrent training cycle for new and existing hazmat employees. According to 49 CFR 171.14(e), the shipping description sequence in effect on December 31, 2006 may remain in effect until January 1, 2013.

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](mailto:stuart.flatow@propanecouncil.org) or (202) 452-8975.