

Association Pushes for Propane to be Part of Appliance Rebate Program



NDPGA continues to work with State Department of Commerce officials on developing guidelines for funds allocated to the State Energy Program through the national stimulus package.

Nearly \$700,000 has been set aside for rebates to consumers installing energy efficient (energy star) appliances in North Dakota.

The office stressed not only are propane appliances extremely efficient, but are also very common in rural residences which make up a large portion of the state's population.

The State Energy Program's (SEP) mission is to promote energy conservation and efficiency, and reduce the rate of growth of energy demand by developing and implementing a comprehensive state energy plan supported by Federal financial and technical assistance.

Department of Commerce Officials hope to release final information on the rebate process sometime before the New Year. NDPGA will keep you up to date on the latest developments.

NDPGA became involved in this process because the association office feels not only electrical, but propane appliances such as furnaces, water heaters and other items should be included in the appliance rebate list.

All New Hires Must Be Reported to the State

Barbara Reiersen, Operations Manager - North Dakota Child Support Enforcement

Did you know....The law requires all employers to report all newly hired employees (including full time, part time, and temporary employees, both adults and minors) to the Child Support Enforcement program no later than 20 days after the employee's first day of work.



Did you know....There can be penalties if you don't report new hires.

Did you know....Electronic new hire reporting is easy and valuable for all types and sizes of employers and 74 percent of new hires are reported electronically. Online tools save time and money and enhance the accuracy and completeness of submitted information. In addition, online tools provide a level of security unmatched by traditional submittal methods such as mail.

Did you know....Employers can report individual new hires online or use a secure Web file transfer process to report multiple new hires. Web file transfer continues to grow in popularity and has been reported as being especially beneficial for employers with high turnover rates or large numbers of new hires.

To report individual new hires online go to <http://www.nd.gov/dhs/services/childsupport/empinfo/tools/>.

To report a file of multiple new hires via secure and encrypted Web file transfer contact Child Support Enforcement. Additional information about new hire reporting requirements and other options for reporting new hires can be found at <http://www.nd.gov/dhs/services/childsupport/empinfo/newhire/>.

(Continued on page 3)



NDPGA booth at the 3rd annual Energy Expo

Valued NDPGA Members:

The best way to describe the 2009 harvest season in North Dakota might be the old saying, "It's better late than never". The less than ideal growing season and damp October left many row crops way behind schedule. In fact, North Dakota farmers should consider themselves lucky because if it weren't for the moderate temperatures in November, a large portion of the corn, beets and soybeans may have been left in the field.

Unfortunately, the entire Upper Midwest is in the same boat. As a result, propane marketers from Missouri to the Great State of North Dakota have been scrambling to find the product needed to keep the grain dryers running.

Governor John Hoeven did our industry and the ag sector a great favor by signing an Hours of Service waiver for propane transport drivers in the state. The waiver is effective through December 5, 2009. Some marketers are telling the association office they are sitting in line for as long as 12 hours at a time to load product at the terminal.

The NDPGA office will continue to monitor the propane supply situation. I urge marketers to keep the office posted on any developments unfolding in the fields, especially if marketer members believe an extension of the HOS waiver is needed. I urge all transport drivers to be careful on the roads. **Be Safe and Use Good Judgment** when moving product under these less than ideal conditions.

Good-Bye Energy Guys

NDPGA has learned the Energy Guys live no more. "Propane" and "Electricity" have fallen victim to PERC marketing restrictions. Martha Evans of PERC sent the following obituary:

Important News about Energy Guys

As a result of the recent restriction of the activities of the Propane Education & Research Council (PERC), the Council is removing from the Propane Marketing and Resource Catalog all Energy Guys materials and any other products designed to promote the general benefits of propane to consumer audiences.



In addition, the propane industry will no longer retain the rights to use images of the Energy Guys for any purpose after December 31, 2009. No industry members, including state propane associations and individual marketers, can use any ads or other items depicting the Energy Guys after that date.

State propane associations and propane marketers are responsible for notifying their media partners that the use of any materials depicting either or both of the Energy Guys after December 31, 2009, is strictly prohibited. PERC will not be liable for any penalties or usage charges demanded of any state association or propane retailer who uses the materials after that time and in violation of the current contract.

The restriction of PERC activities was triggered by the August 2009 publication of the Commerce Department's finding that changes in propane prices relative to other energy sources had exceeded a threshold established in the Propane Education and Research Act of 1996.

On the national level, the association office continues to monitor key issues such as health care reform and cap and trade legislation. NDPGA will keep you posted.

2009 was another banner year for NDPGA. We had a very successful state convention in June and a great year of CETP training under the leadership of State Safety Director Ken Kraft and NDPGA Office Manager Mary Nagel.

We take this time to wish you and your loved ones a very Blessed Christmas and Happy New Year.

Keep the flame lit!

(Continued from page 1)

Did you know....New hire reports are used by state agencies to:

- Increase financial support for children through improved collection of child support.
- Decrease the likelihood of fraud in the unemployment compensation, workers compensation, and public assistance programs.
- Decrease taxpayer burden.
- Verify employment and income of individuals participating in certain federal housing programs.
- Increase collections on defaulted student loans and Department of Education grant overpayments.



The Child Support Enforcement program values its employer partners and welcomes your feedback. If you have comments or suggestions or would like additional information on how to come into compliance with your new hire reporting requirements, contact the North

Dakota Child Support Enforcement program at 701-328-3582 (Bismarck) or 800-755-8530 (toll free), or visit its website at <http://www.childsupportnd.com> (click on "Employers").

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- ▶ ASME and DOT certified shop



Employee Propane Tentative Training Schedule 2010



*Ken Kraft
North Dakota State Director
& Safety Trainer*

February 22 & 23	<i>Basic Principles & Practices</i> Book 1	8:00 am - 5:00 pm each day
February 23	<i>DOT Hazardous Materials</i>	6:00 pm – 10:00 pm
February 24 & 25	<i>Operating a Bobtail to Deliver Propane</i> Book 2.1 & Book 2.2	8:00 am - 5:00 pm each day
February 26	<i>Basic & Delivery Refresher</i>	8:00 - Noon

Expressway Suites - 4303 17th Ave S - Fargo, ND

March 22 & 23	<i>Plant Operations</i> Book 3.1, 3.2, 3.3, 3.4	8:00 am - 5:00 pm each day
March 22	<i>Cylinder Filling</i>	6:00 pm – 10:00 pm

Expressway Suites - 4303 17th Ave S - Fargo, ND

May 11	<i>DOT Hazardous Materials</i>	8:30 am – Noon
May 11	<i>Propane Cylinder Filling</i>	1:00 pm – 4:30 pm

Seven Seas - 2611 Old Red Trail - Mandan, ND

3 days TBA	<i>Appliance Installation</i> Book 6	8:00 am - 5:00 pm
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Bismarck, ND

3 days TBA	<i>Appliance Basic Electricity to Service Propane Appliances</i> Book 7 (book 6 is a prerequisite to book 7)	8:00 am - 5:00 pm
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Bismarck, ND

July 19	<i>Gas System & Appliance Check</i>	8:00 am - 5:00 pm
July 20	<i>Gas Check</i> continued	8:00 am - Noon
July 20	<i>Basic & Delivery Refresher</i>	1:00 pm – 5:00 pm
July 21-22-23	<i>Preparing & Installing Vapor Distribution Systems</i> Book 4.2	8:00 am - 5:00 pm each day

Holiday Inn - 2200 Burdick Expressway East - Minot, ND

September 27 & 28	<i>Basic Principles & Practices</i> Book 1	8:00 am - 5:00 pm each day
September 29	<i>DOT Hazardous Materials</i>	8:00 am - Noon
September 29	<i>Operating a Truck or Trailer to Deliver or relocate</i> <i>ASME Tanks Book 2.1 & Book 2.5</i>	1:00 - 5:00 pm
September 30	ASME Tanks continues	8:00 am - 5:00 pm
October 1	<i>Office Personnel</i>	8:00 am - 3:00 pm

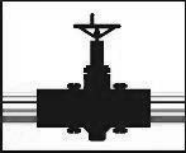
Doublewood Inn - 1400 E Interchange Ave - Bismarck, ND

Propane Scholarships For High School Seniors



NDPGA members customer's children can apply for one of two \$1,000 scholarships. Go to www.ndpropane.org


NPGA members children can apply for \$1,000 - \$2,000 scholarships. Go to www.npga.org



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Eugene M. LaFlamme

Customer Owned Tanks Marketers Need to Protect Their Business

Customer owned tanks (“COTs”) are becoming increasingly popular with propane customers. The COT attraction is understandable. It allows the customer to shop around for the best propane rates without being locked into a tank lease agreement or tied to a specific marketer. While on its face it may be an attractive option for the customer, there are many safety concerns that must be considered by marketers. These safety concerns also raise a number of issues that marketers should address when servicing a customer with a COT.

In a typical tank lease agreement, the marketer is responsible for the propane tank’s upkeep and maintenance. This is because the marketer actually retains ownership of the tank. A COT, however, is owned by the customer. Therefore, the customer is responsible for tank maintenance in a COT situation. This arrangement should concern certain marketers.

With a COT, the marketer typically will not know the tank’s history, condition and past maintenance performed. This is especially true since some COTs are refurbished older tanks purchased on the cheap. In addition, since COT customers often switch marketers, a subsequent marketer may not be familiar or know of any prior concerns another marketer may have had with the tank.

Further, if the COT is an underground tank it raises a number of other concerns unique to underground tank applications. Underground tanks require cathodic protection to prevent corrosion. An underground COT’s cathodic protection history may not be available to the marketer. Therefore, a marketer may not know whether the tank is properly protected unless it tests the cathodic protection levels. This could create extra costs and expenses for the marketer or customer. Additionally, since the tank is underground, it cannot be easily inspected. Marketers must weigh all these factors when deciding whether to deliver to an underground COT.

If a marketer decides to deliver to a COT, it should make every effort to protect their business. COTs do create an additional risk because control over the tank is held by the customer as opposed to the marketer. Customers

may lack the knowledge and experience to recognize potential problems with a tank that a marketer could identify. Due to these risks, our firm recommends that marketers utilize a specialized contract drafted specifically for COT customers.

This contract should clearly identify the obligations of each party. It should state which party will be responsible for tank maintenance and, if applicable, who will monitor and maintain the cathodic protection. The contract should also contain an indemnification/hold harmless clause to protect the marketer should the tank, or other customer owned equipment, fail which the customer had agreed to maintain. Further, the contract should identify the payment terms and whether it involves a keep fill arrangement, pay as you go, pre-pay, cash on delivery, or other type of payment option.

Also, if it is not a keep fill arrangement, then the contract should address what occurs in an out of gas situation. Since an out of gas situation requires that the marketer complete a system leak test, the cost of that test should be the customer’s obligation. Finally, if a marketer is not satisfied with the condition of the COT, or the condition deteriorates due to improper maintenance, then the marketer should be permitted to cancel the agreement. The procedure to cancel the agreement should be spelled out in the contractual language.

The above does not address each contractual clause that should be included in a COT delivery contract, but it does highlight some of the major components. Other issues to consider may include what tests a marketer should conduct when first delivering to a COT, what occurs if the odorant is compromised due to tank corrosion, what happens to the gas in the tank when the customer breaches the agreement, and is there a minimum threshold of propane that the customer must purchase from the marketer. Additionally, there are a number of other issues that a marketer may want to address in the COT delivery contract. Ultimately, marketers should retain an attorney that is familiar with the propane industry, its codes and regulations, and the marketer’s business operations to draft an appropriate COT delivery contract.

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e-mail: elaflamme@mh-law.us **Phone:** (262) 522-7000

Finally—a Propane Remote Monitoring System That Works!



Robert Vishnesky, Branch Manager for Inergy's Knowles LP Gas in Wind Gap and Hazelton, PA, has been feverishly getting monitors installed on customer tanks "before the snow blows! Having actual tank readings takes the guess work out of when to deliver, and makes sure we don't run our customers out of gas. With just 500 WESROC monitors installed at one of my branches, I anticipate eliminating several thousand deliveries this winter. Early results support my estimate. Our delivery efficiency for the entire branch has improved about 30% with just a fraction of the customer tanks equipped."



Clint Coombs, Division Operations Director, searched the Division's fill history for those branches and customer accounts that would provide the "most bang for the buck. Our payback in this phase of the rollout is under a year. Another nice feature is the WESROC data is connected to our operating system, generating delivery tickets automatically."

Bruce Tripp, NY/PA Division President for Inergy Propane, LLC, has used the WESROC remote tank monitoring system for about 3 years. "Our objective with the tank monitoring product is two-fold, reduce operating costs and protect strategic accounts. The WESROC product line and the support team are outstanding—working hard for us. In addition to the standard fuel monitoring, the addition of remote meter reading and satellite communications nicely rounds out the product offering."

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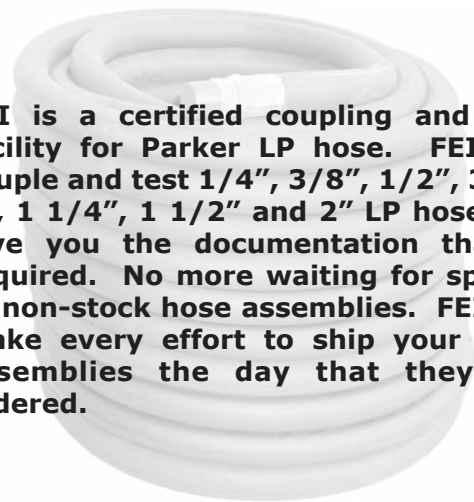
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