

PROPANE INSIDER

Michael L. Williams, Chairman ★ Victor G. Carrillo, Commissioner ★ Elizabeth A. Jones, Commissioner

May 2008

Marketers Praise AFRED's Regulatory Update Class

"Very informative." "I really liked the town hall meeting format." "Best school in a long time." "All speakers were professional and well prepared." "Great idea about exam handbooks."

Nearly 150 marketers who attended AFRED's 6.1 Regulatory Update classes in Tyler, Irving, Spring and Midland were uniformly pleased with the speakers and the material covered. They also requested future training classes, including classes on underground tanks and motor fuel and more research on gas air conditioning and diesel/propane fumigation systems.

Regulatory Update Classes in June

The 6.1 classes for propane company managers are coming to San Antonio and Harlingen on Thursday, June 5, San Antonio (Region 20 Education Service Center, 1314 Hines Avenue, San Antonio 78208-1899) and Friday, June 6, Harlingen (TCEQ Conference Room, 1804 West Jefferson Avenue). Both classes will offer breakfast at 8 a.m. and begin promptly at 8:30 a.m. Many thanks to M-R Sales and Marketing (Rinnai tankless water heaters), Bergquist, Inc., and CleanFuelUSA for sponsoring the meals.

Register at www.propane.tx.gov to attend and get the latest information on state and federal safety rules and incentive programs that affect your business. The San Antonio class will also include a presentation on Texas Margin Tax and Sales Tax Compliance by Gilbert J. Bernal, Jr., National Federation of Independent Businesses.

Date	City	Location
June 5	San Antonio	Region 20 Education Service Center, 1314 Hines Avenue
June 6	Harlingen	TCEQ Conference Room, 1804 West Jefferson Avenue

Forklift Grant Program Expanded to Bobtails and School Buses

AFRED has received an additional \$4 million from the Texas Commission on Environmental Quality to expand the highly successful Forklift Initiative Program to medium-duty propane vehicles and school buses. If you operate in an eligible county and are considering replacing a bobtail, please contact AFRED's Pat Wilson at 512-463-3370 for more information.

State Energy Chief Promotes Propane School Buses

Railroad Commission Chairman Michael L. Williams conducted a seven-city "Breathe Easy" tour May 5-9 to update school-district executives on ways to save money and reduce children's exposure to air pollutants by replacing older school buses with new propane-fueled buses. Substantial cash incentives of up to \$30,000 per bus for replacing diesel buses are available from the Railroad Commission under a grant from the Texas Commission on Environmental Quality. Board presidents, superintendents and transportation directors from 130 districts came to hear Chairman Williams and begin exploring propane for their districts.



Forklift Rebate Amounts Double

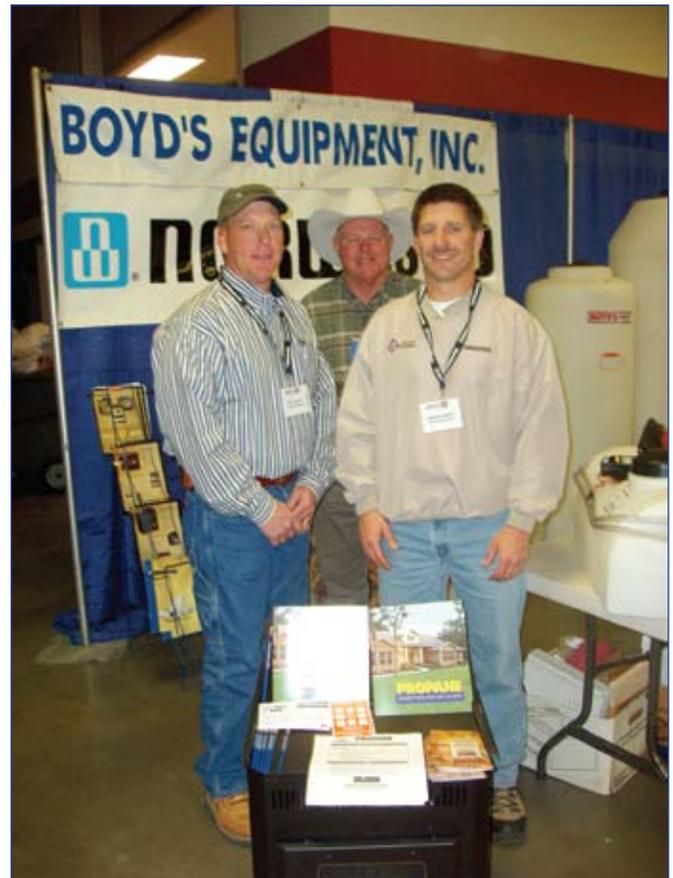
Beginning May 1, 2008, TERP grants for replacing a pre-2004 propane, diesel or gasoline forklift with a new, ultra-low emission propane forklift have doubled.



If you have forklift customers in the following counties, the case for replacing older forklifts and changing to propane has become twice as compelling.

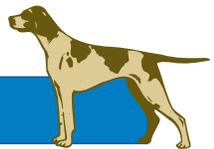
Eligible Counties

Bastrop • Bexar • Brazoria • Caldwell • Chambers
Collin • Comal • Dallas • Denton • Ellis • Ft. Bend
Galveston • Gregg • Guadalupe • Harris • Hardin
Harrison • Hays • Jefferson • Johnson • Kaufman
Liberty • Montgomery • Orange • Parker • Rockwall
Rusk • Smith • Tarrant • Travis • Upshur • Waller
Williamson • Wilson



AFRED's Bobby Wood helped Hugh Lackey and Gordon Gabert of Boyd's Equipment pitch consumer rebates to attendees at the Amarillo Farm & Ranch Show. This is the largest show in the Panhandle, and Gordon reported brisk sales for all his products, including several new home leads.

PROPANEPOINTERS



Installation of Electrical Equipment in Classified Areas

Each month AFRED's hunting-dog mascot points to a section of LP-gas code or standard that the Safety Division's LP-gas inspectors often find violated. The "point" of these articles is to facilitate compliance by reminding marketers about these requirements.

This month's article covers a standard that RRC inspectors cited 284 times in the last three years. The standard is NFPA 58 (2001), §3.7.2.2 [now NFPA 58 (2008), §6.22.2.2], relating to the installation of electrical equipment in classified areas.

NFPA 58 (2008) §6.22.2.2 requires fixed electrical equipment and wiring installed in any of the 12 locations specified in Table 6.22.2.2 to be installed in accordance with NFPA 70, National Electrical Code. Table 6.22.2.2 defines the extent of each classified area, states the required setback distances if applicable, and identifies the category of NFPA 70 approval required for the electrical equipment being installed.

The most commonly cited violations of this standard occur when a fire-resistant putty is not installed within the seal-off fixture; when bolts on explosion-proof fixtures are loose or missing; and when wiring, lights, switches, or other electrical components installed in a classified area do not comply with Class I, Group D, Division 1 or 2.

Compliance with this standard is critical to prevent electrical equipment from igniting propane, which could cause injury, death or property damage.

Marketers should ensure that their employees who install or repair electrical equipment in classified areas are knowledgeable about the requirements of both NFPA 58 and NFPA 70 and are properly trained and equipped to comply with all applicable requirements.

MARKETERS *MAKING NEWS*



Schneider Distributing's John Walter says the cozy propane fire pit drew lots of customers to his exhibit at the San Angelo Rodeo. AFRED's Bobby Wood reports that John also keeps a bobtail on site to help the Rodeo's food vendors keep their cylinders full and customers happy during the nine-day show.



Northwest Propane's Lon Holloway (seated) met with SCAG's vice president of engineering Dave Sugden (left) and Railroad Commission officials to discuss a prototype propane mower for Texas. SCAG is the largest commercial mower manufacturer in the U.S. Their propane unit is currently undergoing testing by landscape maintenance agencies in Austin.



Lots of smiles from Eagle Propane's Trini and Lydia Hernandez and their granddaughter Elinda at the Permian Basin Home Builders Home & Garden Show in Midland. AFRED's Bobby Wood noted new propane home sales are still strong in West Texas.



Mark and Kathy Sandifer, Sandifer's LP Gas in Port Arthur, work with AFRED's Susan DeCell at the Golden Triangle Home Products Show. The show provided a perfect opportunity for marketers to pick up new gas load and educate area all-electric homeowners.



Marketers listened intently as Jim Osterhaus reviewed the changes to the Railroad Commission's LP-gas safety rules during AFRED's Regulatory Update Class in Spring. Marketers also appreciated the location at Gander Mountain and the drawing for in-store gift certificates provided by Bergquist, Inc. and CleanFUEL USA.



Steve and Eric Robertson and Mike Hyman of United Fuel and Energy, along with AFRED's Bobby Wood, gathered up several good leads for new propane home sales and new construction at the West Texas Home Builders Home & Garden Show.

FY 2008 Rebate Amount as of 5/7/08

Rebate type		Paid	Pending
Water heater--new construction	\$200	\$305,400	\$51,000
Water heater--electric replacement	\$350	\$51,100	\$9,100
Propane Star Home	\$600	\$212,400	\$48,600
Propane SuperStar Home	\$800	\$124,000	\$23,200
TOTAL consumer rebates		\$692,900	\$131,900

Please contact AFRED's rebate coordinator, Eileen Latham, if you have questions about consumer rebates or need assistance in filling out the application: tel. (800) 64-CLEAR or (512) 475-2911; e-mail eileen.latham@rrc.state.tx.us or fax (512) 463-7292.

New Applications: To speed payment of rebates, AFRED has revised the Consumer Rebate Application Form to include additional information from builders on their type of business. The application also now includes the warning language specified in **HB 1170**, relating to the limitation of liability for retail propane marketers. Marketers can

download the new form at www.propane.tx.gov/rebates or call Rebate Coordinator Eileen Latham at 1-800-64CLEAR.

Delivery-Fee Collections

Fiscal 2008 LPG delivery-fee collections through Friday, May 9, totaled \$1,657,054 a 4 percent increase over the total for the same date in fiscal 2007. As of April 26 heating degree-days for Texas as a whole were 15 percent below (i.e., warmer than) normal levels for the 2007-2008 heating season, and 8 percent below normal nationally.

PROANE INSIDER

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RAILROAD COMMISSION CONTACT LIST

COMMISSIONERS

Michael L. Williams, Chairman (512) 463-7144
 Victor G. Carrillo, Commissioner (512) 463-7131
 Elizabeth A. Jones, Commissioner (512) 463-7140

AFRED

Dan Kelly, Director (512) 463-7291
 Heather Ball, Marketing/Public Education (512) 463-7359
 Eileen Latham, Rebate Coordinator (512) 475-2911
 Steve Jaeger, Research/Technical Services (512) 463-9202
 Thomas D. Petru, Training (512) 463-6930
 Carol Goodman, Training Registration (512) 463-2682
 Rayfield Hearne, Certification (512) 463-6845
 Wanda Dunning, Certification (512) 463-6933
 All other information and AFRED staff (512) 463-7110
 Toll-free (800) 642-5327
 FAX: Training/Bolm Road (512) 475-2532
 FAX: Rebates/Marketing/Division Office (512) 463-7292

AFRED FIELD STAFF

Susan DeCELL, East Texas (713) 628-9915
 Rudy De La Garza, South Texas (956) 245-0715
 Tracy Wells, North/East Texas (214) 728-9908
 Pat Wilson, Central Texas & Forklift Coord. (512) 971-0108
 Bobby Wood, West Texas (325) 669-4995

GAS SERVICES

Stephen Pitner, Director (512) 463-7938
 Richard Gilbert, License & Permits (512) 463-6935
 Irma Garza, Licensing Rep. A-C, Z, #'s (512) 463-7299
 Sherri Washington, Licensing Rep. D-H, V&W (512) 936-4146
 Angela Whitehead, Licensing Rep. I-N, T & U (512) 463-7207
 Linda Bailor, Licensing Rep. O-S, X & Y (512) 463-6940
 Toll-free (866) LPG-4321

SAFETY DIVISION

Mary McDaniel, Director (512) 463-7166
 James Osterhaus, LPG Program Manager (512) 463-6692
 Dawn Richardson, Exceptions and Inspections (512) 463-2339
 FAX: LP-Gas Safety Section (512) 463-7319