

# PROPANE INSIDER

VICTOR G. CARRILLO, CHAIRMAN • ELIZABETH A. JONES, COMMISSIONER • MICHAEL L. WILLIAMS, COMMISSIONER

## ADVISORY COMMITTEE MEETS SEPTEMBER 16

The first meeting of the 2009-2010 term will begin at 9:00 a.m., Wednesday, September 16, 2009, at the AFRED Training Center, 6506 Bolm Road, Austin. Meetings are open to the public, and all interested marketers are encouraged to attend.

## AFRED EVENTS CALENDAR

At the request of the AFRED Advisory Committee, the *Propane Insider* will publish a calendar of upcoming AFRED events each month. If you have questions or suggestions, please e-mail [heather.ball@rrc.state.tx.us](mailto:heather.ball@rrc.state.tx.us) or call 512-463-7359.

Event	Location	Time	Contact	Phone
AFRED Advisory Committee	6506 Bolm Road, Austin	Wednesday, September 16, 9:00 a.m.	Heather Ball Dan Kelly	512-463-7359 512-463-7291
Sunbelt Builders Show	Grapevine	Fri-Sat, Oct. 30-31, 2009	Tracy Wells	214-728-9908
AFRED Advisory Committee	6506 Bolm Road, Austin	Wednesday, December 2, 9:00 a.m.	Heather Ball Dan Kelly	512-463-7359 512-463-7291



Wes Welch, Welchgas, presented the Bill Henderson Marketer of the Year award to Mallory's Propane.

## MARKETER OF THE YEAR

Stan Mallory, Mallory's Propane was recognized as the 2009 Marketer of the Year for his innovative gourmet marketing to commercial accounts. Mallory Propane's Bottled Heat ignited interest and sales above expectations, and was a low-cost option to maintain customer awareness and loyalty. (See insert for more details.)

## STORMPROOF YOUR TANK

The start of the Atlantic hurricane season is a good time to remind your customers what to do before, during and after a serious storm. AFRED has free bill-stuffer-sized pamphlets to educate your customers and promote the benefits of propane when the power is out.

### Stormproof your tank

The Texas Railroad Commission, the state's chief energy agency, recommends the following safety checklist if your residence is likely to be affected by floods, hurricanes or other severe-weather emergencies.

**Getting ready for a flood, hurricane or similar emergency:**

1. Properly secure your propane tank, if possible.
2. Turn off the gas supply valve at the tank.
3. Fasten the protective dome on the tank.
4. Turn off appliance pilot lights, control valves and manual shut-off valves.
5. Ensure an adequate supply of fuel is in the tank.

**After the emergency has passed, look for visible structural damage, including damaged external venting/vent caps.**

**Call your propane dealer or qualified technician if:**

1. You smell propane gas.
2. Your propane tank has shifted or moved.
3. The propane tank regulator or appliances have been exposed to water.
4. The propane gas lines are broken, bent, damaged or have pulled away from the propane tank or appliances.
5. Your tank is touching the ground and/or is no longer level.

Gas supply valve

0506

For more safety tips, go to [www.propane.tx.gov](http://www.propane.tx.gov)

# REBATE UPDATES

## PERC REBATES FOR AGRICULTURAL USERS

The national propane checkoff has expanded its FEED (Farm Equipment Efficiency Demonstration) program to include incentives for the new Roush propane-fueled Ford F-250 pickup. Farmers who buy a propane-fueled F-250, a propane mower, a propane irrigation engine or a propane tankless water heater can apply for rebates. Recipients must use the equipment on the farm and agree to work with the Propane Education and Research Council (PERC) to share their stories with other farmers.

EQUIPMENT	PERC INCENTIVE	AFRED REBATE	FEDERAL TAX CREDIT	CLEAN CITIES REBATE
Roush F-250 Pickup	\$5,000		\$5,000	
Irrigation Engine	\$2,500			
Propane-Fueled Mower	\$2,500			\$2,500
Tankless Water Heater Replacement	\$1,000*	\$200 \$350**	\$300	

- \*AT LEAST TWO UNITS MUST BE INSTALLED. A MAXIMUM OF \$1,000 WILL BE GRANTED PER PRODUCER.
- \*\*ELECTRIC REPLACEMENT ONLY

LEARN MORE AT [WWW.AGPROPANE.COM/DEMONSTRATION](http://WWW.AGPROPANE.COM/DEMONSTRATION).

## CONSUMER REBATE REPORT

On August 18 the Commission adopted rule amendments that will allow consumer rebate applications to be submitted electronically or by fax and allow applicants to use a Comptroller-designated identification number instead of a Social Security number where appropriate.

The enclosed flier summarizes the enhancements to the program to help customers get their rebates more quickly.

REBATE TYPE	REBATE AMOUNT	AUG 2009 PAID + PENDING	AUG 2008 PAID + PENDING
Water heater–new construction	\$200	\$438,600	\$515,800
Water heater–electric replacement	\$350	\$86,100	\$82,600
Propane Star Home	\$600	\$266,600	\$391,200
Propane SuperStar Home	\$800	\$178,000	\$232,000
<b>TOTAL CONSUMER REBATES</b>		<b>\$969,300</b>	<b>\$1,221,600</b>

## AFRED/PERC AT SUNBELT BUILDERS SHOW

The 2009 Sunbelt Builders Show will be held in Grapevine, Texas, October 29-31. PERC will have an extensive display of the newest propane appliances for residential construction. If you would like to meet builders from all over Texas and neighboring states, please contact Tracy Wells at 214-728-9908 or [tracy.wells@rrc.state.tx.us](mailto:tracy.wells@rrc.state.tx.us) to help staff the PERC booth and honor AFRED's Propane Star Builders. More show and hotel information is online at [www.sunbeltbuildersshow.com](http://www.sunbeltbuildersshow.com)

## 2009-2010 ADVISORY COMMITTEE

On August 18 Commissioners Carrillo, Jones and Williams appointed next year's AFRED Advisory Committee. Congratulations to new industry members Mike Bodine, Sharp Propane; Tony Dale, Ferrellgas; and Lance Davis, McCraw Propane, and Lon Holloway, Northwest Propane.

All three Commissioners extended their personal thanks to all of the nominees and committee members—retiring, continuing, and new—for their service to Texas' propane industry and propane consumers.

Contact information for all 17 current members is included elsewhere in this Propane Insider.



Michael Marin with Marin Propane assisted AFRED's Steve Jaeger in demonstrating how to properly test whether an underground tank was grounded.

## HANDS-ON TRAINING A HIT AT AFRED'S REGULATORY COMPLIANCE CLASS

As part of the Manager's Class presented during the TPGA Convention in Galveston, AFRED's research director Steve Jaeger demonstrated the proper procedure to test the grounding of an underground tank.

# MARKETERS MAKING NEWS

## PROPANE INDUSTRY PARTNERS WITH AFRED



Jay Williams from Rinnai; Becky Prater of Sharp Propane and Rick Bruner of Ferrellgas helped AFRED rep Tracy Wells staff the Propane Exceptional Energy booth at the national Green Builders' Show in Dallas.



AFRED's Tracy Wells recruited Ben Wood, Northwest Propane, Bob Hornbeck, Sharp Propane and Larry Baty, Cadenhead Servis Gas, to spread the word about propane's green building advantages at the national Green Builders' Show.



Noemi Garcia, Mr. G's Propane, watched proudly as granddaughter Zadrana Elizondo and daughter Zinnia Elizondo, Elsa Butane, talked to builders and homeowners at the AFRED booth at the McAllen Home Products show. AFRED's Rudy de la Garza provided brochures and promotional give-aways for the show.



Wayne A. Corum, Director of City of Fort Worth's Equipment Services Department, and Randy Rendon, Equipment Technical and Fuel Specialist for The City of Fort Worth, were delighted to receive the PERC Exceptional Fleet Award from Rick Bruner with Ferrellgas.



Billy Bob McAdams and his Shelby County Cookers barbecued a mean chicken and sausage dinner for Shelby County's volunteer fire departments prior to AFRED's propane emergencies class. AFRED's Thomas Petru trained 36 firemen from 6 area departments.



Gloria and Jimmy Peer, Peer Propane, hosted a Mexican fiesta buffet at the start of the Aransas Pass-Ingleside volunteer firefighter class. AFRED's Thomas Petru, who trained 30 firefighters from the two departments with the assistance of Susan Shiffletti, reported, "¡La comida fue muy sabrosa!"

## SHUTOFF VALVES ON VEHICLE FUEL DISPENSER HOSES

*Each month AFRED points to a section of LP-gas code or a standard that Railroad Commission LP-gas inspectors often find violated. The "point" of these articles is to facilitate compliance by reminding marketers about the requirements.*

*This month's article covers a standard that RRC inspectors cited 155 times in the last three years. The standard is LP-Gas Safety Rules §9.403(a)/NFPA 58 §6.24.3.13, requiring a quick-acting shutoff valve or a quarter-turn ball valve with a locking handle to be installed at the discharge end of the transfer hose of a vehicle fuel dispenser.*

LP-Gas Safety Rule §9.403(a)/NFPA 58 §6.24.3.13 requires all vehicle fuel dispensers and dispensing stations to have a listed quick-acting shutoff valve installed on the discharge end of the transfer hose. The Safety Division has interpreted a quick-acting shutoff valve to be a listed valve with a toggle handle identified by the manufacturer as a quick-acting shutoff valve, or a listed quarter-turn ball valve with a handle that locks in the closed position. Quick-acting shutoff valves must quickly stop the flow of liquid through the valve when a container

reaches its maximum capacity and must be designed to prevent the handle on the valve from being accidentally opened, resulting in an uncontrolled discharge of gas.

A violation occurs when a noncompliant valve, such as a globe valve or a quarter-turn valve that lacks a locking handle, is installed on the discharge end of a fuel dispenser or dispensing station's transfer hose.

Compliance with this standard is critical to prevent overfilling of containers, quickly stopping the flow of fuel in an emergency, and reducing the risk of an uncontrolled discharge of LP-gas from a valve that is accidentally opened when a transfer hose is moved or dropped.

Licensees should ensure their service and installation technicians and motor/mobile fuel dispensers are aware of this important requirement. Employee training should include the types of valves that are acceptable, proper installation procedures and valve maintenance.

### Railroad Commission of Texas

1701 N. Congress  
P.O. Box 12967  
Austin, Texas 78711-2967

## PROPANEINSIDER

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**NEW IN-HOUSE TRAINING OUTLINES:  
REQUALIFYING LP-GAS CYLINDERS**

New Marketer Safety Meeting Outlines on requalifying steel and aluminum DOT cylinders are now posted on AFRED's web site, [www.propane.tx.gov](http://www.propane.tx.gov). AFRED produced the outlines at the request of Chris Caywood of Automatic LP-Gas in Conroe.

Each outline covers the steps to be followed when using the external visual inspection method to determine if a LP-gas cylinder can be requalified. The outlines include key information from Title 49, Code of Federal Regulations, and Compressed Gas Association pamphlets C-6 and C-6.3.

The new outlines are the eighth and ninth in AFRED's series of in-house training materials for marketers. The other seven outlines cover interruptions of service, gas leaks, cylinder inspection, portable fire extinguishers, exchanging and filling forklift cylinders, purging DOT cylinders, and off-truck remote shutoffs.

Besides a summary of key codes and standards, each outline includes a form on which marketers may record and file information about the meeting. To download copies, go to [www.propane.tx.gov](http://www.propane.tx.gov) and click on "Marketer Safety Meeting Outlines" under "Services for Marketers."

**NEW CYLINDER INSPECTION VIDEO**

A new 5-1/2 minute video on inspecting steel, aluminum and composite DOT cylinders is now available as a visual addition to AFRED's Marketer Safety Meeting outline on cylinder inspection. The video covers verifying that a cylinder is in date; inspecting the pressure relief valve, shell, collar and foot ring; and compliance with OPD and labeling requirements.

To preview the video, go to [www.propane.tx.gov](http://www.propane.tx.gov), click on "Marketer Safety Meeting Outlines," and select "Cylinder Inspection Video." High-resolution copies on DVD disk are available free to Texas marketers by calling Andi Chirco at (512) 475-2954 or e-mailing [andi.chirco@rrc.state.tx.us](mailto:andi.chirco@rrc.state.tx.us).

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**DELIVERY FEE COLLECTIONS**

Fiscal 2009 LPG delivery-fee collections through Friday, July 24, totaled \$1,685,248. This total is 14 percent lower than the amount collected by the same date last year.

# PROPANE MARKETER *of the Year*

Sponsored by the WelchGas Group and AFRED

Stan Mallory  
Mallory's Propane  
1677 Highway 69 S  
Mineola, TX 75773  
903-569-3837

Marketing Program Name: **Gourmet Marketing for Commercial Accounts**  
Target Audience: **Area Restaurants**

Each year Mallory's Propane orders materials that promote the company to current and prospective customers. The customers expect something each year, and it is Mallory's way of letting them know they appreciate their business. Also, Mallory's has found it beneficial to leave something behind at a prospect's location besides business cards or sales literature.

In 2009 Mallory's decided to spice things up a bit in the marketing department. The previous couple of years they had ordered hats to give to existing and prospective commercial accounts. They noticed that the customers and prospects were not very interested or excited when given the hats. So the marketing staff put their heads together and came up with bottling some heat to set sales on fire!



Wes Welch, Welchgas, presented the award to Stan Mallory and Neil Tesseyman, Mallory's Propane, assisted by AFRED's Heather Ball and Tracy Wells.

For the 2009 promotion they ordered two kinds of hot sauce and had it private-labeled. They call it Mallory's Propane's Bottled Heat. It comes in two flavors: Gourmet Pepper Sauce and Gourmet Chipotle Sauce.

Mallory's Bottled Heat ignited interest and sales way above expectations, and had another benefit as well: The cost to private-label the hot sauce was less than the previous years' hats. In today's economy, it is very good to cut marketing costs and still increase sales.

# PROPANE ALTERNATIVE FUELS ADVISORY COMMITTEE

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# PROPANE

## CONSUMER REBATES

Rebate amounts and eligibility rules are unchanged for fiscal year 2010  
(Sept. 1, 2009 - Aug. 31, 2010)

**E-mail confirmation notification sent to marketers and applicants  
when e-mail address is provided on applications.**

<b>\$200</b>	<b>Install propane water heater</b> (For new home only)
<b>\$350</b>	<b>Replace electric water heater</b> with propane water heater
<b>\$600</b>	<b>Propane Star Home</b> (For new home only) <u>Requirements</u> <ol style="list-style-type: none"><li>1. New propane water heater</li><li>2. New propane furnace</li><li>3. New or used propane dryer, <b>or</b> second furnace <b>and</b> piping for dryer</li><li>4. Any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, hard-piped gas grill, or hard-wired generator.</li></ol>
<b>\$800</b>	<b>Propane Super Star Home</b> (For new home only) <u>Requirements</u> <ol style="list-style-type: none"><li>1. Two or more new propane water heaters</li><li>2. Two or more new propane furnaces,</li><li>3. New or used propane dryer, <b>or</b> third furnace <b>and</b> piping for dryer</li><li>4. Any one of the following new propane appliances: gas range, gas cooktop, gas oven, gas logs, hard-piped gas grill, or hard-wired generator.</li></ol>

### **ADOPTED SEPTEMBER 1, 2009**

Individual Social Security Numbers not required on rebates with amounts \$800 or less.  
(Builders still need to provide Tax ID number.)

Applications may be faxed or scanned and e-mailed. Original signatures are no longer required.

## **RAILROAD COMMISSION OF TEXAS**

Alternative Fuels Research & Education Division  
800-64-CLEAR • [www.propane.tx.gov](http://www.propane.tx.gov)