BUTANE-PROPANE NEWS

BPN

SEPTEMBER 2026

All Eyes on the Strait

The industry watches as global conflict affects the flow of oil — what will it mean for propane supply?

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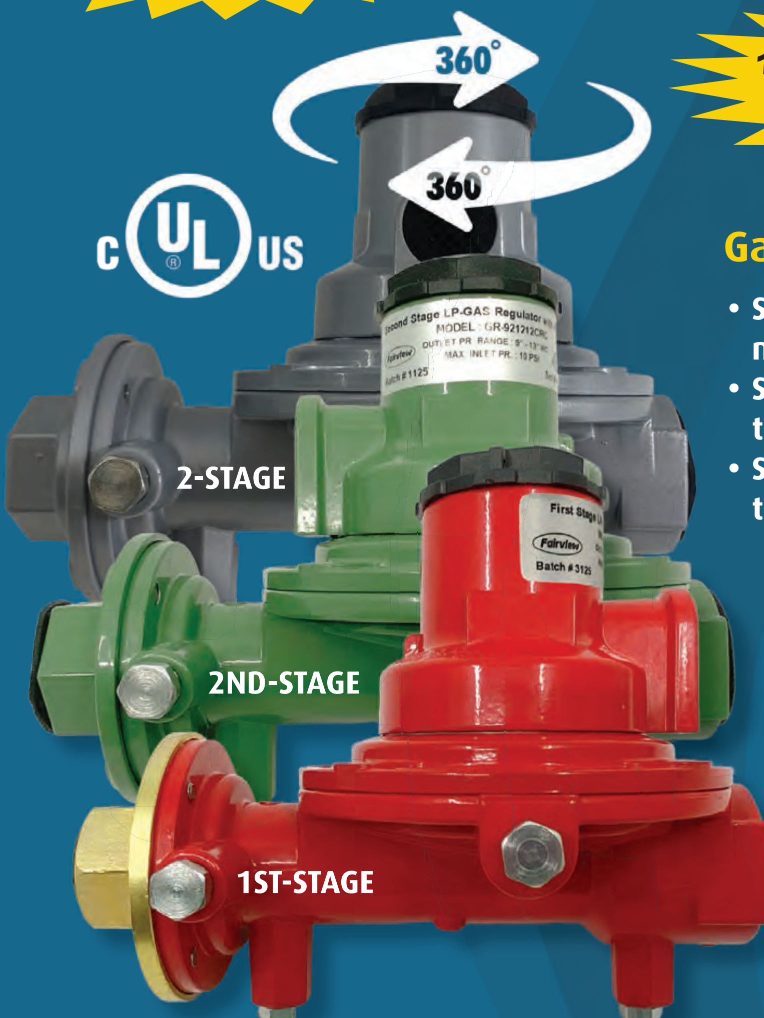

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Dear Readers,

Volatility isn't an unfamiliar concept to the propane industry. Though weather patterns can be predicted and marketers can plan ahead for supply based on those predictions, no one actually knows what will happen until we're in the moment. For an industry beholden to unexpected shifts in weather and supply movement, a strategic plan is essential for preparing for the busy season.

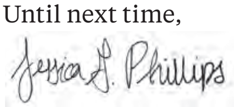
But volatility doesn't just stem from the weather. As we've seen throughout modern history, geopolitical concerns also play a major role. I'm writing this letter in the middle of August, and as we go to print, the war with Iran is still ongoing and the Strait of Hormuz remains blocked. On Aug. 18, CBS News reported there is "no ongoing dialogue with Iran to end the war, and no discussions scheduled," according to updates from President Donald Trump, and "envoy Jared Kushner told Fox News that Iran is 'not showing any interest' in striking a deal that 'makes sense' for the United States. Nearly six months into the conflict, the U.S. and Iran remain locked in a standoff over control over the Strait of Hormuz."

CBS also reported that Iran was close to a deal with Oman to manage ship traffic through the Strait. In response, President Trump threatened to bomb Oman because of his disapproval of the agreement. Two regional officials stated "the U.S. believes Oman has not been tough enough in its negotiations with Iran and is unhappy with Oman's agreement to collect voluntary fees from vessels, even if the charges are related to security and maritime environmental protection."

Moreover, Iran has stated it is not looking for a ceasefire — only an end to the war. Iranian Foreign Minister Abbas Araghchi stated, "… the war must end in such a way that it will not be repeated." But with no discussions between the two countries scheduled as of Aug. 18, the outcome remains to be seen.

Though I hope some relief is imminent by the time this issue is in your hands in September, I cannot predict where the movement of crude oil will stand at that time. As such, this issue's feature section on propane supply covers several different facets of the war and the blockade. It's important for you to not only have as much information on hand as possible about the situation, but also for you to have access to advice straight from the experts on developing a nimble and robust plan for supply this season. Starting on page 24, we have a plethora of information to help you navigate these often murky waters.

Until next time,



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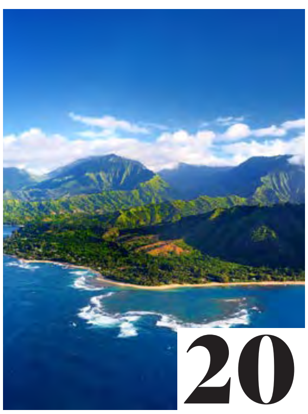

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Feature Series:
PROPANE SUPPLY

Special Section: PROPANE CYLINDERS

On the Cover
Ongoing tensions in the Middle East are affecting the flow of oil. Careful planning can mitigate the effects on propane supply. (*Image: Yellow Boat-stock.adobe.com*).


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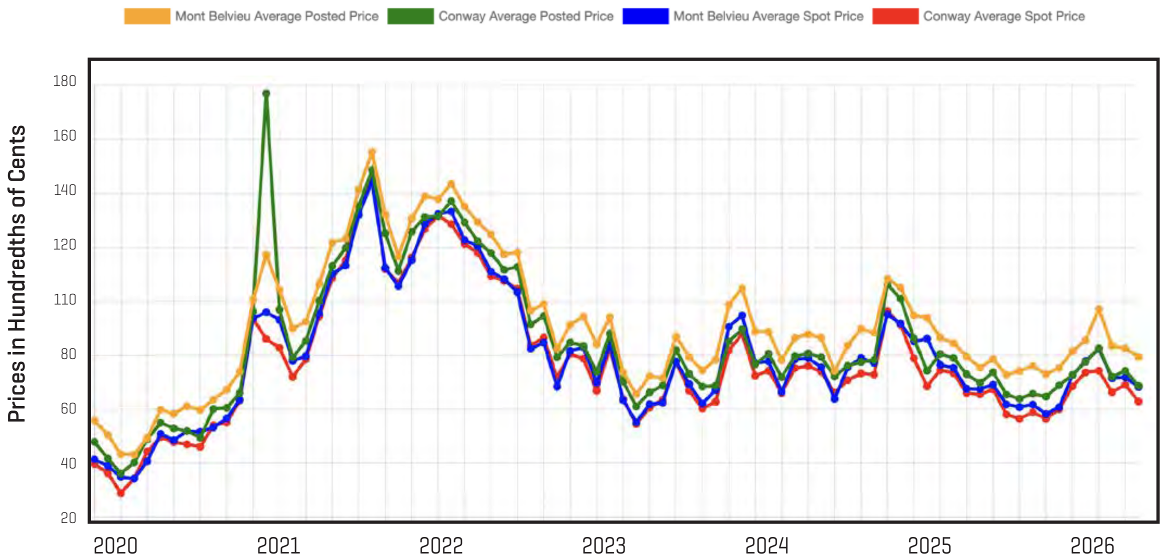
MONT BELVIEU & CONWAY AVERAGE THURSDAY PROPANE PRICES



at a glance During the latest mid-month period, prices at Mont Belvieu, Texas, decreased. The posted prices decreased 3.125 cents/gal, from July to August, and spot prices decreased 3.5 cents. Conway, Kansas, postings decreased 5.44 cents/gal and spots decreased 6.75 cents over the month.

MID-WEEK AVERAGE POSTED/SPOT PROPANE PRICES (Cents per Gallon)

	07/16/26	07/23/26	07/30/26	08/06/26	08/13/26
Mont Belvieu					
posted	82.500	82.250	79.625	76.250	79.375
spot	71.625 – 72.000	71.875 – 72.875	67.000 – 68.000	66.125 – 66.625	68.125 – 68.375
Conway					
posted	74.215	73.185	71.965	66.620	68.685
spot	69.250 – 68.875	67.500 – 68.500	65.125 – 65.750	61.875 – 62.500	62.500 – 63.250

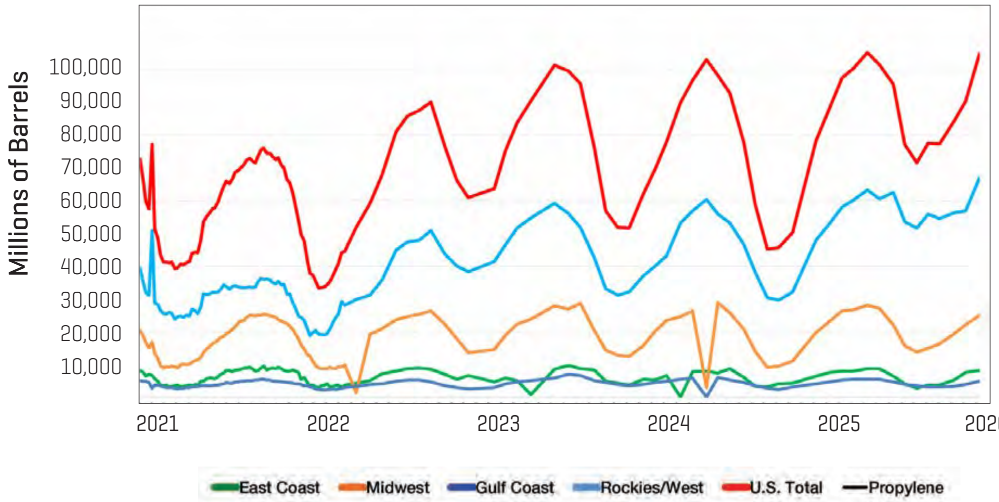
at a glance Canada's primary underground propane inventories increased by 48.5% in July, according to the Canada Energy Regulator (CER). The total represented a month-to-month increase of 367.8 Mcm. Compared to a year earlier, stocks were higher, with 213.1 Mcm, or 23.3%, more product on hand. (*Editor's Note: Due to BPN's publishing schedule, July inventory data is the latest available from the CER.*)

CANADIAN INVENTORIES (Thousand Cubic Meters)

PROPANE	Jul 2026	June 2026	Change	Jul 2025
Propane-East	289.1	184.5	47.0%	290.5
Propane-West	836.9	573.8	11.6%	622.4
Total Propane	1126.0	758.2	18.6%	912.9
BUTANE				
Butane-East	339.1	269.2	56.2%	448.8
Butane-West	709.6	619.5	7.5%	641.5
Total Butane	1048.7	888.7	18.7%	1090.2

Source: Canada Energy Regulator

U.S. PROPANE INVENTORIES



at a glance
United States propane stocks experienced an 11.485 MMbbl increase from July to August. East Coast stocks increased 829,000 bbl, the Midwest increased 2.072 MMbbl, the Gulf Coast increased 7.967 MMbbl, and the Rocky Mountain/West Coast increased 616,000 bbl. Compared to the same time in August 2025, the August 2026 U.S. stocks were 16.362 MMbbl higher.

U.S. PROPANE INVENTORIES

July 10 – Aug. 7, 2026, and One Year Ago (Thousand Barrels)

	07/10/26	07/17/26	07/24/26	07/31/26	08/07/26	08/08/25
East Coast	7.278	6.992	6.698	6.916	8.107	7.528
Midwest	22.934	23.518	24.026	24.633	25.006	23.171
Gulf Coast	58.976	64.724	66.971	66.692	66.943	53.303
Rocky Mtn & West Coast	4.302	4.542	4.591	4.862	4.918	4.609
U.S.	93.489	99.776	102.286	103.103	104.974	88.612

Editor's Note: From April to the beginning of October, the Energy Information Administration does not report residential prices for propane. Publication of this data will resume with the November 2026 issue.

Find out more:
For commentary on mid-month prices and Canadian inventories, visit bpnews.com/news.

FERRELLGAS CEO TAMRIA ZERTUCHE EXTENDS EMPLOYMENT AGREEMENT

Ferrellgas President and CEO Tamria Zertuche has agreed to extend her executive employment agreement with the company, ensuring continued executive leadership as Ferrellgas — the nation's second-largest propane distributor — executes on its long-term strategic vision. Since assuming the role of CEO, Zertuche has guided Ferrellgas through a period of significant transformation, strengthening the company's operational foundation, expanding its customer base and fostering a culture of accountability and service. Under her leadership, Ferrellgas has remained focused on delivering reliable, safe and affordable propane solutions to residential, commercial and agricultural customers across the country.

EDGE ENERGY GROUP ACQUIRES 2 NORTH TEXAS PROPANE COMPANIES

Edge Energy Group, a consolidator in the propane industry, acquired two North Texas companies: Chadwell and Son Gas Co. Inc. and Poor Boys L.P. Gas LLC. The transactions became effective on June 18 and July 31 respectively. The companies will operate under Edge Energy Group's Star Tex Propane brand. The addition of Chadwell and Son, which serves customers from its location in Springtown, Texas, and Poor Boys L.P. Gas, based in Hillsboro, Texas, enhances Edge Energy Group's operational footprint and customer density in this high-growth region. Edge Energy Group has confirmed that all employees from both acquired entities will be retained.

PENNSYLVANIA LAUNCHES IPS-DESIGNED PROPANE CYLINDER RECYCLING PILOT

The Pennsylvania Recycling Markets Center (RMC) presented the annual William M. Heenan Jr. Markets Development Award jointly to the Centre County Recycling and Refuse Authority (CCRRA) and Industrial Propane Services Inc. (IPS) for their collaborative effort in the pilot of a statewide recycling market for safely emptied propane cylinders, using a portable propane extraction and steel recovery unit. RMC and IPS engineered the unit, which evacuates and captures the unused propane for future reuse while safely crushing and cleaning the steel cylinders into a premium, mill-ready scrap commodity. Under RMC leadership during the pilot evaluation, the CCRRA safely emptied and rendered approximately 22,000 cylinders. This venture helps solve the issue of single-use cylinders being unsafely disposed of in traditional waste receptacles.

MID-MONTH: MID-AUGUST PRICES DOWN FROM JULY

During the July to August mid-month period, Mont Belvieu, Texas, posted prices decreased 3.125 cents/gal, while spot prices decreased 3.5 cents. Conway, Kansas, postings decreased 5.53 cents/gal, and spots decreased 6.75 cents over the month. The Mont Belvieu mid-July posted price was 82.5 cents/gal. The next week the price decreased 0.25 cents to 82.25 cents/gal, followed by a 2.625-cent decrease to 79.625 cents/gal. Postings decreased 3.375 cents to 76.25 cents/gal the first week of August, followed by a 3.125-cent increase to 79.375 cents/gal at mid-month. Compared to last year, the August 2026 prices were 3.978 cents higher.
The Conway mid-July posted price was 74.215 cents/gal. The next week the price decreased 1.03 cents to 73.185 cents/gal, followed by a 1.22-cent decrease to 71.965 cents/gal. Postings decreased 5.345 cents to 66.62 cents/gal the first week of August, followed by a 2.065-cent increase to 68.685 cents/gal at mid-month. Compared to last year, the August 2026 prices were 1.018 cents lower. Mont Belvieu spots opened mid-July at 71.625 cents/gal.
The next week the price increased 0.25 cents to 71.875 cents/gal, followed by a 4.875-cent decrease to 67 cents/gal the next week. Spots decreased 0.875 cents to 66.125 cents/gal the first week of August, followed by a 2-cent increase to 68.125 cents/gal at mid-month. Compared to last year, the August 2026 prices were 0.875 cents higher. Conway spots opened mid-July at 69.25 cents/gal. The next week the price decreased 1.75 cents to 67.5 cents/gal, followed by a 2.375-cent decrease to 65.125 cents/gal the next week. Spots decreased 3.25 cents to 61.875 cents/gal the first week of August, followed by a 0.625-cent increase to 62.5 cents/gal at mid-month. Compared to last year, the August 2026 prices were 2.5 cents lower.

NEXIO UNVEILS PICO PROPANE & FUELS DEMONSTRATION TRUCK

Nexio Power Inc. unveiled the PICO Propane and Fuels demonstration vehicle at the 2026 Red River Crossroads Propane Expo, taking the wraps off a production-intent Class 7 propane bobtail finished in full PICO dress. The reveal took place Aug. 8 inside the Irving Convention Center at Las Colinas, Texas. After the show, the truck entered commercial fleet service with PICO Propane and Fuels, the retail brand of propane distributor Meritum Energy Holdings. PICO is one of the first fleet operators to run a Nexio propane truck in commercial demonstration service. The PICO branded truck will operate in route across South Texas and puts a production-intent propane platform in the hands of a propane retailer. PICO will operate the vehicle in daily fleet duty and share operational data with Nexio's engineering team as the company advances Environmental Protection Agency and California Air Resources Board certification with support from the $6 million Propane Education & Research Council commitment announced last year.

QUALPLAY PROMOTES JON GILBERT TO VP OF CHANNEL BUSINESS DEVELOPMENT

Qualpay has promoted Jon Gilbert to vice president of channel business development. Gilbert joined Qualpay in 2017 and has played a key role in expanding the company's presence within the propane and fuel delivery industry. In his new role, he will continue leading channel growth initiatives while working closely with merchants, software partners, industry associations and strategic partners to help organizations modernize payment operations, improve efficiency and reduce payment acceptance costs.

Industry Calendar

Aug. 19 Illinois PGA Board Meeting
ilpga.org
Springfield, IL

Aug. 25-27 Arizona Annual Membership Meeting
arizona-propane-gas-association.square.site
Prescott, AZ

Aug. 29 New Jersey PGA Appreciation Night
njpga.org
Trenton, NJ

Sept. 1-3 Rocky Mountain PGA Fall Conference
rmpropane.org
Bryce Canyon, UT

Sept. 9 Kansas PMAK Board Meeting
pmak.org
Topeka, KS

Sept. 10 Oklahoma PGA Board Meeting
okpropane.org
Oklahoma City, OK

Sept. 13-15 SEPA Board/Membership Meeting
southeastpropane.org
Asheville, NC

Sept. 17 New Mexico PGA Fall Membership Meeting
nmpga.com
Albuquerque, NM

Sept. 17-18 NPGA Benchmarking Fall Meeting
npga.org
St. Louis, MO

Sept. 22-23 South Dakota PGA Convention
sdp2ma.com
Deadwood, SD

Sept. 24 Tennessee PGA Membership Meeting
tennpropane.com
TBA

Sept. 24-25 PERC Advisory Committee Meeting
propane.com
Eagan, MN

FOR ADDITIONAL CALENDAR ITEMS, VISIT BPNEWS.COM.

THE FUELING STATION

Before the summer heat dissipates and cooler weather slowly rolls in, the propane industry is making the most of late summer industry events and activities as it gears up for the busy season. Check out how companies soak up the last weeks of warm air by hitting the lake and gathering for company- and industry-based events — while one company engages customers with a giveaway to prepare for the upcoming fall chill.

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Liked by **lakesgas** and **4 others**

congerlpgas We were proud to go ALL IN as a major sponsor of The Home Builders Association of South Georgia Casino Night on Friday! ♠♦♣♥

It was Party in the USA-themed and we wore our best red, white, and blue! TJ from our Valdosta office was a dealer and went all out with her costume!

It was a fantastic event as always, and we're already looking forward to next year! 🎲

#CongerLPGas #FuelingLife

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14 1

caseysoilandpropane Our barge, Black Rose, is out making her rounds in Newport Harbor today.
#marinediesel #boating #newport #rhodeisland #yachting

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1

propane.missouri GIVEAWAY ALERT! 🔥Cooler weather is on the way, and we are giving one lucky person a propane-powered patio heater to enjoy cozy evenings, backyard gatherings, and football nights long into crisp night air. Click the link in our bio to enter. The winner will be randomly selected from qualified entries and notified on National Propane Day, October 7. Good luck!

Sponsored by ROUSH CleanTech

Whitney Parsley is an associate at the mergers and acquisitions (M&A) advisory firm Cetane Associates and specializes in M&A and corporate governance. Contact Parsley at wparsley@cetane.com. Visit cetane.com.

WHAT'S THE FUNNIEST OR MOST UNBELIEVABLE MOMENT YOU'VE EXPERIENCED ON THE JOB?

Propane peers recount the memory that still gets brought up at office holiday parties

Every job has that one story. You know the one — it gets brought up at the holiday party, retold at the counter during a slow afternoon and somehow gets a little better every time someone tells it. This month, we asked propane pros to dig into the vault and share the moments that still make them laugh, shake their heads or wonder how they made it out in one piece.

These responders were brave enough to let us in on their most memorable, most ridiculous, most "you-can't-make-this-up" workday tales — the kind that remind us that no two days on the job are ever quite the same.

In this column, adopted from the familiar "Heard on the Street" format, we offer our responders a chance to answer the question posed in the title. These are their replies, reported verbatim. Enjoy!

TIPPING POINT: A PROMOTION I'LL NEVER LIVE DOWN

My experience is both embarrassing and funny, depending on who you are. This goes back to my Agway days. So, I got this nice promotion into a regional support position. Our company president (initials MH) has a first meeting at corporate in the boardroom. Yep, long table, high-back leather chairs with nameplates with board members' names engraved on them. You get the picture. So, MH is giving his presentation and I'm rocking back in my chair, and then I go past that point and now gravity takes over. I try to reach over to grab onto the person next to me and they lean away. All everyone sees is the bottom of the chair and my two feet sticking up. I yell, "Don't worry, I'm fine!" MH does the old look over and does not miss a beat with his presentation and keeps going. No one could even laugh. No, I did not get fired. Embarrassed my new boss, but not even a write-up. Now, that's how you make a first impression!

TOM KRUPA
NGL SUPPLY TERMINALS CO.
RICHMOND, VIRGINIA

THE GREAT BOB AMBUSH OF HALLOWEEN PAST

One of my favorite memories at work happened on Halloween. Every year, our office goes all in with a group costume theme, and a few years ago we decided to surprise the four Bobs who work here. Without telling them, the rest of us each dressed up as a different famous "Bob." We ended up with nine different Bob characters roaming the office! The funniest part was that the real Bobs didn't catch on right away. We spent the entire morning greeting each other as "Bob," and it wasn't until about midmorning that they finally realized what was happening. It was such a simple, silly prank, but it's still one of those stories that comes up every Halloween and never fails to make us laugh.

STACI RAMMEL
WOODRUFF ENERGY
BRIDGETON, NEW JERSEY

AERIAL VIEWS & NEAR MISSES: 2 STORIES FROM THE FAMILY BUSINESS

Two of the most unbelievable moments in our company's history are courtesy of my brother. When he first started working in the business, one of his first jobs was painting our storage tanks. At some point, he decided it would be funny to paint a four-letter word across the top of one of the tanks. He probably never imagined anyone would see it — until one day a police officer walked into the office carrying an aerial photograph of our facility. There it was, plain as day, for everyone flying overhead to see. Needless to say, that wasn't the kind


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of attention we were looking for. The second incident was much more serious. While hooking up a bobtail to reload it, the hose suddenly blew off, sending propane spraying everywhere like a giant Water Wiggle. We immediately shut off the power from the office, everyone responded quickly and thankfully no one was hurt. Looking back, both stories have become part of our family business folklore. One still makes us laugh, the other reminds us how quickly things can go wrong and how important safety is. I'm pretty sure experiences like these aren't standard in every family business — but they've certainly made ours memorable.

JULIE JOHNSON
TED JOHNSON PROPANE
BALDWIN PARK, CALIFORNIA

1 DIGIT OFF: A MARKETING INTERN'S WAKE-UP CALL

After my sophomore year in college, I was interning in the marketing department in the Twin Cities, and one of my biggest projects that summer was putting together a newsletter that would go out weekly to customers. One week, I accidentally typed in the wrong phone number and turns out the wrong number I put in the newsletter actually went to an adult phone line. A very, very kind customer called to give us a heads up, and I fixed it for the following week. I have aggressively checked every phone number I've ever put on anything since.

STEPH HENNEN
LAKES GAS CO.
WYOMING, MINNESOTA

CASE OF THE SNOWY COUCH SELFIE

One of the funniest moments I have experienced is when the police showed up at our office looking for a guy that 'allegedly' was trying to enter someone's house. This 'perpetrator' had a shirt with our company logo on it, and that is why the officer came to our office. We quickly recognized the person in the picture as our sales manager. The homeowner had thought he was asking to come into their house and take a picture on their couch, so they told him to leave and then called the police on him. We were quite confused for a moment, wondering what he was up to. It turns out he was trying to take a picture on the couch they had at the end of the driveway that they were giving away and not the one in their house. He thought he was doing the right thing by asking for permission. This couch was coated with snow, and my sales manager thought it would be fun to send a selfie to his kids who live in Florida who are always sending him beach pictures. Unfortunately, the homeowner thought he was a crazy person that wanted to come in their house and sit on their couch, so they called the police. After some back-and-forth and an unfortunate post on the local Facebook page, everything eventually got straightened out. Moral of the story is, don't wear a company logo when doing questionable activities.

TREVOR BEAUDRY
BEAUDRY OIL & PROPANE
ELK RIVER, MINNESOTA

NOBODY GOES IN THE BASEMENT (FOR GOOD REASON)

One day, I went to a sweet little old lady's farmhouse to light her water heater. She told me nobody ever went into the basement. I should have taken that for a warning! I opened the basement door, and there was a raccoon standing on his hind legs about 2 feet away from me. He wasn't scared. He just stared at me like I had shown up without an appointment. We looked at each other for a few seconds. Then, he turned around and walked down the stairs like he owned the place — which, as I was about to discover, he pretty much did. When I got downstairs, I found about 3 tons of fresh dirt piled against the old limestone foundation. Apparently, a groundhog had moved into one of the rooms and started a major excavation project. I never actually saw him. I assume he was the landlord. At that point, I figured the raccoon handled security, the groundhog was in charge of remodeling and I was just the propane guy. I finally found the water heater and got down on my hands and knees to light it. Just as I was reaching underneath, a skunk slowly came around the side of the heater to see what I was doing. Now, there are times in life when you realize you are no longer in control of the situation. Being on your hands and knees, holding a lit match, face-to-face with a skunk in a basement full of propane appliances is one of those times. The skunk looked at me. I looked at the skunk. Neither one of us made any sudden movements. I lit that water heater more carefully than any water heater has ever been lit in the history of propane. Then, I quietly gathered my tools, nodded respectfully to the building inspector and left. The little old lady got her hot water back, the raccoon kept his house, the groundhog continued his basement remodel and the skunk made sure I never returned. That was the first — and last — time I ever made a service call to that particular wildlife refuge!

CHARLIE CRISWELL
CRISWELL PROPANE INC.
GRINNELL, IOWA

CFO'S OFFICE GETS A FRESH-AIR UPGRADE

The story that still gets brought up is the time CFO Kevin Sheehan's entire office was moved out to the back patio. Yep, they took a fully functioning office and set it up outside. It was actually a pretty impressive setup, but Kevin definitely wasn't as excited about his new workspace as everyone else was.

ABBY THURSTON
RURAL COMPUTER CONSULTANTS
BIRD ISLAND, MINNESOTA

A STORIED INDUSTRY

Whether it's a delivery gone sideways, a customer encounter for the books or a moment only another propane veteran could truly appreciate, this batch of stories was sure to hit the spot.

From boardroom tumbles to basement wildlife standoffs, this month's responses proved that the propane industry never runs short on characters or stories worth retelling. Whether it's a Halloween prank, a mistaken-identity couch selfie or a service call that turned into a three-ring showdown, these moments remind us that behind the daily grind, this is an industry full of people who know how to laugh at themselves.

David Schlee is an attorney practicing in Kansas City, Missouri. He has been representing propane and natural gas distributors in fire and explosion litigation since 1986 and has authored BPN's Propane & the Law column since September 1989. He can be reached at dschlee@dschleelaw.com.

INDIANA COURT REJECTS ODOR FADE CLAIM IN HOME EXPLOSION CASE

An Indiana appellate court found evidence of proper gas odorization & ruled the utility had no duty to warn under the circumstances

Odorant issues continue to arise in litigation against gas distributors. The latest example comes from Indiana, where on Feb. 20, an appellate court affirmed summary judgment in favor of a natural gas utility in a case arising from a gas leak and subsequent explosion. The case is Miller v. Indiana Gas Company.

MASSIVE EXPLOSION

In the early morning hours of May 19, 2019, Janet Phillips awoke to get ready for work. She flipped a light switch in the basement of her house in Jeffersonville, Indiana, and there was a massive natural gas explosion. The house was leveled, and her husband, Billy, was killed. She sustained grave personal injuries. In addition, the home of her neighbor, Carla Miller, was damaged, and Miller was injured.

Lawsuits were filed by both Janet Phillips and Carla Miller against multiple parties, including Indiana Gas. It appears that Phillips settled with all defendants, and Miller settled with all defendants except Indiana Gas. Miller's claims against the gas company consisted of the usual shotgun blast: product liability, negligence, negligent hiring, negligent training, negligent supervision, negligent retention and negligent failure to warn. For good measure, Miller added that Indiana Gas "has an unsafe and aging pipeline distribution network, which is inaccurately mapped, poorly maintained and predisposed to corrosion, leaks and system failures."

INDOOR LEAK

The evidence, however, demonstrated that the leak that caused the explosion was not in Indiana Gas' distribution system. The underground service line from the gas main to the Phillips house was pressure-tested — no leaks. An outdoor gas leak survey was conducted around the house. This included bar hole testing (making a hole in the soil and testing for gas using a handheld detector), as well as walking along the gas main and checking cleanouts and sewer manholes using a special sensing unit to detect gas. No leaks were detected.

The leak was clearly in the customer's gas system inside the Phillips house. There was a gas meter that recorded hourly readings of gas usage inside the house. After the incident, data was pulled from this meter. It showed extraordinary usage, starting the day before the incident. Starting at about 2 p.m. on May 18, gas at more than 400 times the normal amount of gas usage began passing through this meter.

UNCAPPED LINE

The reason for this excess usage was readily apparent when the gas piping inside the house was examined. There was an uncapped gas line. An engineer retained by Indiana Gas concluded that a cap had been removed from this line on the previous afternoon:

"The condition of the open piping after the incident (i.e., rusted but undamaged with pipe dope further up on the threads)

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is consistent with the removal of the cap. A properly tightened cap would likely have required use of a tool to remove it from the pipe. This evidence is consistent with someone intentionally removing the cap from the gas piping at approximately 3 p.m. on the day prior to the incident."

Removal of this cap would require human intervention — two wrenches, one to hold the pipe nipple and the other to unscrew the cap. The evidence clearly pointed to removal of the cap, with an immediate large volume gas leak, on the afternoon before the explosion.

On the day before the incident, Billy and Janet Phillips both worked in the yard from around 8 or 9 a.m. until 3 or 4 p.m. When Janet finished working in the yard, she left the residence to go to the grocery store and get gas for her car while Billy remained home alone. Janet later testified during her deposition that she never smelled natural gas in her home prior to the explosion even though tremendous levels of natural gas began leaking into their home over the 13 hours prior to the event.

EVIDENCE OF ODORIZATION

From time to time, Billy completed plumbing, electrical, painting, drywall and flooring projects around the home, and he kept tools at the house. Billy was the only individual at the house from approximately 3 to 4 p.m. on the day before the explosion.

Since he died in the explosion, there was no direct evidence of what he did in that hour. However, he was the only one present when the cap was removed from the gas line, and he apparently had the tools to do it.

Indiana Gas had no one present at the Phillips house and had no notice of removal of the cap from the gas line. So, the case narrowed down to the odorization issue. Here, the evidence of proper odorization was substantial. First, gas was smelled by multiple witnesses at the gas meter of the Phillips residence immediately after the explosion. Second, odorant tests were conducted at multiple locations near the residence, and these tests confirmed proper odorization. The Indiana Utility Regulatory Commission, the regulatory body responsible for overseeing Indiana Gas' compliance with all applicable regulations, determined that "the odorant levels are within the acceptable range."

ODOR FADE

This, of course, did not end the matter. Miller raised the issue of odor fade. However, an expert for Indiana Gas refuted this, stating:

"The gas to [the Phillips residence] on May 19, 2019, was delivered through a steel main and plastic service line that had been in service for over 18 years. Odor fade is not an issue with pipe that has been exposed to odorized gas for years. … There is no evidence that odor fade was occurring in the gas going to [the Phillips residence]. There is ample evidence that odor fade was not occurring … in the area."

As to whether Janet could smell the gas, Indiana Gas highlighted evidence that Billy smoked marijuana in the house daily and that there were a dog and cat in the home, all of which could have masked the odor of gas.

Indiana Gas filed a motion for summary judgment, and on March 25, 2025, the trial court granted that motion. It found there was no genuine issue for a jury, and Miller appealed.

On appeal, Miller argued there was a genuine issue for a jury on whether the gas delivered to the Phillips residence was properly odorized and whether Indiana Gas failed to provide warnings about odor fade.

NO DUTY TO WARN

The appellate court ruled that once Indiana Gas presented its evidence of proper odorization, the burden shifted to Miller to come forward with evidence to create an issue for the jury. The only evidence she had was the testimony of Janet Phillips that she did not smell gas. This, the court said, was not enough:

"Even if Janet did not smell gas in the residence prior to the incident, this merely establishes that she did not smell gas, not that it was not properly odorized under the federal regulation, which was the material fact at issue."

The court then turned to the warning issue. It held that, in the circumstances presented, Indiana Gas had no duty to warn Janet and Billy Phillips about odor fade:

"Because these pipes had been exposed to natural gas for years, odor fade was not an issue. Indiana Gas also designated evidence that there are no state or federal regulations that require it to notify customers about odor fade. In response, Miller did not designate any evidence that odor fade was implicated in the incident. … Because Indiana Gas' designated evidence established that odor fade was not implicated in the incident, and Miller designated no evidence to oppose this, there was no genuine issue of material fact regarding the duty to warn of odor fade."

The Court of Appeals therefore affirmed the judgment of the trial court dismissing the case. However, that may not be the end of the matter.

On June 18, the Supreme Court of Indiana, in its discretion, allowed Miller's case to be appealed to that court. So, the Court of Appeals decision is not final, and there will likely be a decision from the state Supreme Court in a year or two.

Johnny Nickel is managing editor for Butane-Propane News.

OPINION: TROUBLE IN PARADISE?

Assessing the impact that Clean Fuel Standards might have on propane — in Hawaii & beyond

On July 15, Hawaii Gov. Josh Green signed SB 2999 (Act 258) into law. The act is Hawaii's own version of a Clean Fuel Standard (CFS) for transportation systems, which have already been enacted in four other states.

"By establishing a performance-based system that rewards cleaner fuels with credits and assigns deficits to more carbon-intensive fuels, SB 2999 encourages innovation without mandating any single technology," stated a press release from the governor's office. "It gives way to public engagement, regular reporting and stakeholder input to ensure accountability throughout the development of the program."

But how exactly will this work? And, more importantly for the propane industry, what does the recent pattern of state governments adopting a CFS spell for propane's future?

A BROAD OUTLINE OF HAWAII'S CFS

Like the CFS adopted by California, Oregon, Washington and New Mexico, Hawaii's carbon-reducing standard will make use of market credits to reward sales of transportation fuels and energy sources that fall below certain progressive life-cycle carbon-intensity (CI) thresholds and punish sales of fuels that exceed those thresholds. Specific details of this process are still to be laid out by Hawaii's Department of Transportation, which is set to complete the regulations by Jan. 1, 2028. The final CFS will take effect Jan. 1, 2029, with a staggered carbon reduction plan to take place over the following 25-plus years, reaching a 50% lower carbon intensity target score by 2045.

Under Hawaii's CFS, fuel distributors that sell high-carbon products to end users in transportation sectors will incur a deficit. Since this plan targets only the sale of fuels used for transportation (such as gasoline and diesel), the vast majority of the propane market — including residential and commercial heating, farming, etc. — will not be directly impacted. Additionally, while exact annual qualifications for credits are yet to be established, it is possible that in the short term, propane autogas, which has a carbon intensity score lower than both gasoline and diesel, might qualify for credits, at least in the initial stages of the program.

With that said, there are key considerations to keep top of mind as statewide CFS programs become more prevalent — elements that could require significant change in the propane industry's offerings.

WHAT PROPANE SUPPLIERS & DISTRIBUTORS NEED TO KNOW

1. A Focus on Carbon Life Cycle

As previously mentioned, Hawaii follows the footsteps of four other states that have enacted similar standards, inspired by the model set out roughly 15 years ago by the California Air Resources Board. Thanks in large part to California's Low Carbon Fuel Standard, the main conversation taking place among states looking to reduce CI is a discussion of a fuel's life-cycle carbon emissions. This measurement takes into account not only the emissions generated at the pipe as the fuel is burned, but also considers the processes that take place to refine and process the fuel.

This shift in focus that has taken place over the past 20 years or so is actually why renewable propane — and other renewable fuels — have gained some traction among renewable energy researchers. While renewable propane is chemically identical to conventional propane, what differs is how the fuel is produced and processed.

Approximately 90% of hydrocarbon gas liquids (including conventional propane) are byproducts in natural gas processing plants and petroleum refineries. This heavily contributes to propane's CI score of 80-81 gCO2e/MJ (grams of carbon dioxide equivalent per megajoule).

Renewable propane, on the other hand, is produced from entirely different sources, including used cooking oil, animal fats and other waste lipids. This results in a significantly reduced CI score, ranging from 65 gCO2e/MJ to as low as 18 gCO2e/MJ (the wide range reflecting the different sources being used).

The pattern that has become precedent

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for states enacting a CFS is relatively simple: The sale of products with lower CI scores over their life cycle results in being rewarded by government credits. For the propane industry, while fuels such as propane autogas might benefit from temporary credits over the short term, there seems to be a clear impetus to sell renewable propane in the long run.

2. Diversifying Propane's Allied Sectors

Viewing propane from a production lens, it is first and foremost a byproduct. What this means in practical terms is that propane is deeply intertwined with the broader gas processing sector. As previously noted, propane is produced as a byproduct in natural gas processing plants and petroleum refineries; increased natural gas production and petroleum refining leads to increased propane inventory. Conversely, what negatively impacts natural gas production and petroleum refining owners and producers raises the possibility of negatively impacting propane production.

Interestingly, this is yet another feature that renewable propane shares with conventional propane. The wide majority of renewable propane that is produced is a byproduct of renewable diesel and sustainable aviation fuel production.

When comparing these two chains of production, it becomes increasingly clear that those with vested interests in the future of propane will face a choice that only becomes more prevalent as more and more states enact a CFS. How should propane suppliers balance dependence between conventional and renewable propane production chains?

While CFS initiatives appear to have limited — if any — negative impacts on propane production in the short term, the picture seems more complicated in the long term. This is certainly the case for conventional propane autogas, which might be eligible for credits in the first few years of Hawaii's CFS program, but all things being equal is unlikely to fare well compared to renewable propane and other fuels with a low carbon intensity in later years.

Furthermore, while every CFS initiative so far has focused specifically on the transportation sector, it is possible that the impact of these programs on the large companies that produce high-carbon fuels like gasoline and diesel will shift their investment strategy in cleaner energy more broadly. Major petroleum companies — like Marathon Petroleum and Phillips 66 — already have the infrastructure to produce both conventional propane and renewable propane.

As a byproduct of renewable diesel, renewable propane might indirectly receive a boost in production if these and other key players seek to offset penalties on traditional gasoline and diesel sales by offering more renewable diesel to the Hawaiian market.

World Energy, a U.S.-based renewable fuel company that offered some of the first commercially available sustainable aviation fuel, continues to expand their Paramount, California, renewable fuels refinery. Exploring partnerships with these types of companies can create an increased demand for renewable propane.

What may be necessary to proactively protect the interests of the propane industry is to get ahead of the curve on these kinds of changes, especially in these incentivized state markets. The propane industry has become accustomed to the status quo with its suppliers. It might be time to reassess those relationships, investigate the alternative streams of production that are often already offered by those same suppliers and keep an eye open for opportunities to truly invest in renewable propane — before the industry gets taken by surprise.

3. Don't Ignore the Clean Energy Movement — Embrace It

Five states have enacted CFS programs. New Mexico is the first state to break the trend of these initiatives being solely based along the West Coast.

As it stands now, there are seven other states with CFS legislation active in the 2026 session. In recent years, Colorado and Michigan lawmakers rallied around their own CFS programs that have not gained enough traction to become law — yet.

While federal energy policy seems to change every four years, these overall trends have been consistent: More and more states are attempting to reduce their carbon footprint. In the case of a CFS, the target is the transportation sector. But in states like New York and California, attempts have been made to also ban gas in new residential builds — moves the National Propane Gas Association has challenged.

As has been emphasized by propane lobbyists and research organizations, conventional propane has a role to play in our energy future. Policies that mandate a specific energy source (such as electrification mandates) are overly constrictive and subdue the diversity in an energy sector that meets customers where they are.

Along those same lines, however, the propane industry needs to accommodate its shifting customer base, as well as the regulations that exist in these states, and cannot rely on a model that forecasts the lone superiority of conventional propane. Litigation is a key tool in the propane industry's bag — energy exploration and innovation should be, as well.

Renewable propane, like its chemical counterpart renewable diesel, has an important advantage in the clean energy conversation. Unlike electricity, renewable propane does not require end users to invest in new infrastructure to replace its fossil fuel counterpart. Conventional and renewable propane are chemical twins. Rather than fighting clean energy as such, the propane industry should be on the front lines advocating for the unique and advantageous ways that it can participate in this conversation.

Hawaii's soon-to-be-implemented CFS demonstrates a growing trend: States are attempting to limit their carbon footprint in earnest. The propane industry sits on a goldmine of resources with its rugged, crafty and adaptable fuel. Propane truly does things that no other fuel can. It's time to bring propane's profile to the clean energy conversation.

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HANDLING PROPANE SUPPLY UNCERTAINTY AMID GLOBAL CONFLICT

Experts share their best moves to get ahead of supply disruptions, even when ambiguity looms

BY PAT THORNTON

"Conflict in the Middle East best describes the volatility within the energy markets for 2026. While oil prices have seen a surge from $65/barrel [bbl] to almost $120/bbl, propane prices have seen a much less volatile reaction here in the U.S.," said J.D. Buss, president of Westlark Advisors. "In fact, the high-to-low for Mt. Belvieu, [Texas], propane prices from March 1 to present has only been 21 [cents per gallon]."

Buss has one word to explain such a "tame" reaction while oil, refined products and other energy items have surged: infrastructure. "The U.S./Iran war, and now broader conflict in the Middle East, has wreaked havoc with LPG [liquefied petroleum gas] supply chains in Asia," he said. "Nations such as India and Bangladesh, which previously relied heavily on Middle East supply, have had to frantically search for other options. Much of that supply has now come from the U.S."

Buss said that normally an increase in demand for U.S. supply should drive propane prices even higher. "But here is where the struggle exists," he said. "If U.S. export capacity was double the existing amount, it would have all been consumed by international markets.

"Having an additional 2 million barrels [MMbbl]/day of capacity would have allowed up to another 360 MMbbl of propane (and/or LPG) to exit the U.S. from March through the end of August," he continued. "Using this hypothetical situation, U.S. inventory levels would have been in a major deficit, and prices may have been much closer to oil values."

According to Buss, a lack of export infrastructure has allowed propane inventory levels in the U.S. to reach record highs, kept prices in a relatively tight range and potentially lulled U.S. demand markets to sleep. "Looking out over the coming weeks and months, more export capacity will become available," he said. "How that is utilized and what that does to record-high inventory levels will be vital for current prices — and for the future."

"Restrictions on the Strait of Hormuz and Bab-el-Mandeb [Red Sea] highlight the fragile status of Middle Eastern LPG supply and should be telling international clients to permanently reposition their supply portfolios," Buss said. "Diversification to U.S. supply means that exports will continue to flow at higher levels for years into the future."

Buss noted that current Mt. Belvieu and Conway, Kansas, prices may be more stable due to a lower level of infrastructure, but that situation will not last forever. "The world sees the cheap value of U.S. propane and will be looking to consume it. That means the domestic U.S. markets need a greater awareness of how international markets are pricing and what demand regions will be searching for product, and will need to invest more in their own storage and transportation infrastructure to counter the potential price swings that global demand will inflict on U.S. propane values."

HOW SHOULD PROPANE RETAILERS APPROACH BUYING FOR 2026-27?

While propane is less volatile than oil, refined fuels and many other products, there are still plenty of challenges for the U.S. retail propane marketer.

"The war in Iran has caused extreme volatility with the prices of propane here in the U.S." said D.D. Alexander, president of Global Gas and chair of the National Propane Gas Association. "It has also caused significant inventory swings depending on weekly exports of propane."

Her suggestion for pre-buying is to try to buy during the dips in the price of propane. "Layering in your propane purchases is extremely important this year due to the volatility. When you see the price of oil go down drastically, that is a good sign propane is also down. Personally, I would look for buying opportunities when the price of propane is below 35% of the price of crude."

"The good news is that availability shouldn't be an issue; the bad news is that price may be," said Anne Keller, managing director at Midstream Energy Group. "It's difficult to look at the news and not see a path leading to a spike in crude prices before year end — that may carry through to propane even if supply is there."

Keller noted a hidden concern is that the refineries running at max rates start having more operational issues that could affect throughput in locations that serve high-demand markets. "Early indications are that winter won't be as severe as last year, but this isn't the year to leave room in storage. Top off the tanks."

"A retailer has no control over the geopolitical events driving energy markets," said Jeff Thompson, senior advisor at Synergy Commodity. "There is little value in trying to 'outsmart' or 'outrun' the market by making procurement decisions based on predictions about ceasefires, military actions or political negotiations."

Thompson noted large energy companies, investment banks, hedge funds and governments with access to significantly more information than a propane retailer — and billions of dollars at stake — still struggle to consistently forecast these events and their impact on prices. "The control lies in how a retailer plans. Rather than developing a procurement plan based on where prices are expected to go, retailers should develop a plan based on what they need their business to accomplish. That plan should focus on protecting and growing gross margins, securing adequate supply, maintaining cash flow and managing risk."

"The U.S. propane market has been insulated from the effects because of our extreme inventory situation," said Phil Farris, director of wholesale marketing at 3Eight Energy. "That can eventually change and probably will. Additional export capacity coming online later this year, combined with a cold El Niño as winter begins, and inventory could be cut in half in a few months."

"One of the greatest dangers during

WHY ENERGY COMPANIES NEED TO INVEST IN CYBERSECURITY TO PREVENT SUPPLY RISKS

From GlobalData

Energy infrastructure is a high-value target for cybercriminals. Attacks on critical national infrastructure can have an outsized impact, disrupting essential services, causing nationwide instability and generating financial gains for hackers. As geopolitical uncertainty intensifies, so does cyber espionage, making it crucial for energy companies to invest in resilient cybersecurity programs, says GlobalData, an intelligence and productivity platform.

GlobalData's strategic intelligence report, "Cybersecurity in Energy," highlights how cybersecurity impacts key challenges in the energy industry. These include digitalization, distributed energy resources, grid modernization, supply chains, third-party vendors and geopolitics.

Ravindra Puranik, oil and gas analyst at GlobalData, commented, "Energy companies depend on extensive third-party ecosystems, making supplier vulnerabilities a major cyber risk that can spread into IT and OT environments. Attacks exploiting shared vendor software (e.g., file-transfer tools) have hit major players."

Puranik continued, "Mitigation requires stronger vendor governance, such as continuous monitoring, standards, segmentation, least privilege, audits and joint incident response."

GlobalData notes that digitization and the convergence of IT and OT (operational technology) are connecting legacy assets and modern grid technologies, expanding entry points where IT compromises can disrupt operations. Generative artificial intelligence further increases attacker speed and sophistication, shrinking defenders' response windows.

Puranik concluded, "Oil and gas firms should invest in specialized cybersecurity services that provide continuous monitoring and rapid response, expert validation and strong operational readiness. Equipment and oil field service providers should also add product-focused services such as secure development support and security audits/certification to reduce supply chain risk and maintain customer trust.

"Cybersecurity is integral across the oil and gas value chain, for securing data, safeguarding asset integrity and preventing financial losses."

periods of uncertainty is what I call 'speculation creep,'" Thompson said. "It begins when a retailer gradually shifts from critically thinking about strategy to making market bets based on opinions about future price direction. The retailer delays purchasing because prices are expected to fall or gets overly aggressive in buying if they think prices are expected to rise. In either case, the focus moves away from margin management and toward price prediction."

Farris added, "Despite the issue(s), the annual guidelines for propane supply strategies don't change. If you're confused or concerned, you contract with experienced supply and transportation partners. Where the gas comes from is part of that discussion. It's not always the cheapest or closest option. Having an alternative or secondary plan lined up only works if you have trucks to get there. Fixed price deals are logical; the upside from where Mt. Belvieu is today is far greater than the downside. If you're not concerned and comfortable with these developments, then ignore contracts and chase the cheapest summer spot deals. Cross your fingers come winter and assume somebody will be there to take care of things. (That's sarcasm, not an actual recommendation.)"

"A potential unintended consequence of the impact of the war is to speed up the move away from oil in the transport markets, at least," Keller said. "Although sales of electric vehicles in the U.S. have fallen off since the tax credit expired, sales of hybrids are strong. Their share of the U.S. vehicle market is growing; my hybrid gets two times the mileage of my old car, and enough of us makes a dent in gasoline demand.

"Propane is a great vehicle fuel, already used in trucks and buses instead of diesel," she continued. "Since it has less energy density than diesel, it takes more gallons to go the distance, but the surplus situation here provides plenty of gallons for expanded markets if people realize that diesel is likely to only get more expensive."

IS THERE A POSSIBILITY OF US SUPPLY SHORTAGES?

For the week ending July 17, while many energy sources were down, propane's U.S. inventory was up 34% over the five-year average. BPN asked the experts if they have any serious concerns about propane supply shortages in the U.S.

"National inventory levels appear comfortable. However, retailers should remember that customers are not served by [Energy Information Administration] numbers," Thompson said. "Customers are served by local supply terminals, transportation networks, storage assets and retailer preparation. Of those factors, preparation is the most important.

"Historically, propane supply problems are often less about whether propane exists somewhere in the country and more about whether it can be moved to where it is needed at a reasonable cost," he said. "Winter weather events, transportation disruptions, regional demand spikes, pipeline constraints and allocations, railcar delays, and unexpectedly strong export demand can all create localized supply challenges despite abundant national inventories."

Thompson said that rather than worrying about whether the country as a whole is well supplied, retailers should focus on whether their own businesses are prepared for a range of outcomes. "Do they have adequate supply agreements in place? Do they have diversified supply points? Have they secured transportation capacity? Is storage filled when opportunities arise? Have margin targets been established and protected?

"In fact, for a retailer that has planned well and remains disciplined, supply disruptions often create opportunities rather than threats," he continued. "The retailer who has mapped out gross margin objectives, secured supply and established procurement strategies is in a much different position than the retailer who waits to react after problems develop.

"When supply becomes tight, many retailers begin scrambling for gallons, paying elevated spot prices, adjusting delivery schedules and dealing with anxious customers," he said. "The retailer who planned ahead is far less likely to be caught in that scramble. Instead, that retailer can continue operating according to a strategy developed months earlier.

"This is where great retailers separate themselves from the competition," he explained. "While others are focused on locating propane, a prepared retailer is focused on serving customers. While competitors are worried about covering supply needs, the disciplined retailer is executing a plan, protecting margins and maintaining service levels."

He continued, "We have all heard stories of retailers becoming difficult to reach when supply gets tight, deliveries fall behind or market conditions become challenging. The well-prepared retailer does the opposite. The phone gets answered. Customers are informed. Commitments are honored. In many cases, these retailers gain customers during the very periods when competitors are losing them because they remain dependable when dependable service matters most."

Thompson said the logistics strategy is not complicated, but it does require discipline. "Secure supply before you need it. Diversify supply sources whenever possible. Maintain adequate storage. Establish transportation options in advance. Protect target margins. Most importantly, avoid becoming dependent on the spot market during periods of stress.

"The industry needs to learn that it is easier to plan for the future than to predict the future," he concluded.

"We've been fortunate for several years to not have inventory issues," Farris said. "The issues have always been centered around infrastructure — the ability to deliver and distribute quickly and efficiently. It gets cold, trucks rush to the terminal, get in line and wait, and eventually get to their destination just in time. It's a simple process but a decades-old system.

"From an expense/time point of view, does it make sense for a driver to get paid sitting in line for 7 hours, or spend 7 hours driving to an alternative supply point? It comes down to wait time versus extra freight, wear and tear, plus the extra cost of gas at the secondary spot option," he said.

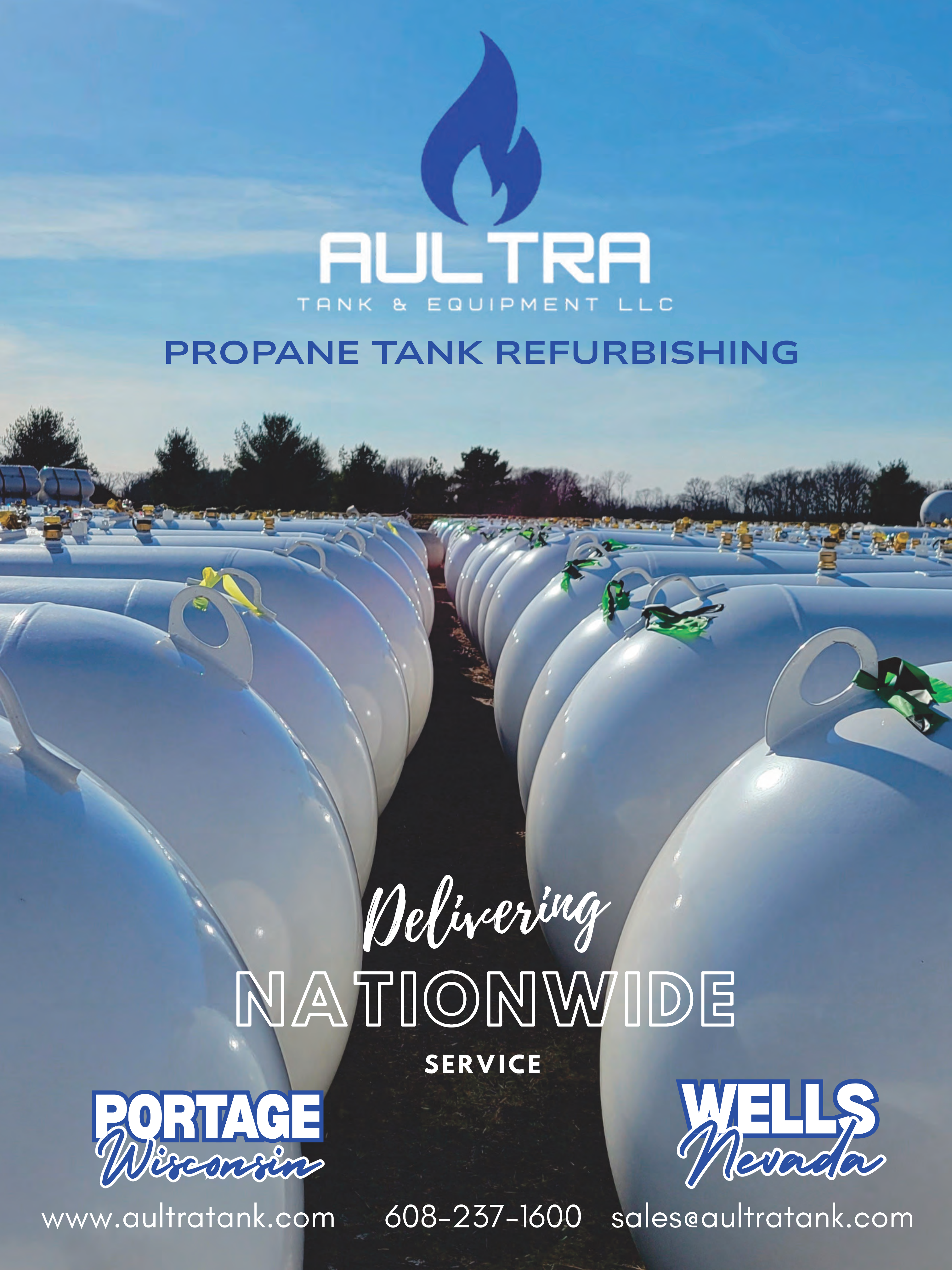
"With refineries running hard, supply shouldn't be a concern; but outages could happen, and it's harder to compensate for those in locations with single refineries," Keller said. "Make sure the tanks at distribution centers in high-volume areas are loaded prior to the depths of winter. Maybe there's an opportunity to use the headlines to your advantage by running a 'get ready for winter' special during the next round of ceasefire discussions when prices get pushed down again? Cynical, I know, but it's where we are these days."

"While we have extremely high U.S. inventories overall, there are always concerns if we will have the necessary product in the necessary regions," Alexander said. "As we know, most of the U.S. product is mainly in Mt. Belvieu and, secondarily, in Conway. Depending on weather in different regions, we always have logistical issues to be concerned with."

Alexander said marketers need to be contracted for most of their propane needs, work with a loyal supplier and trust in their transportation company. "If any of those links are weak, you will have issues if we have any weather at all. Look back at your last year. Talk to your suppliers to make sure any issues [from] last year won't be an issue this year.

"Do your part. Keep your storage full and keep your customers' storage at a reasonable level," she concluded. "Make sure you have the appropriate staff going into winter. Always let your suppliers know when you will need additional volume that month. The sooner you plan, the better."

Pat Thornton is a 25-year veteran of the propane industry, with 20 years at Propane Resources and five years at Butane-Propane News. He has served on the Propane Education & Research Council (PERC) Safety & Training Advisory Committee and the Missouri PERC board of directors.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BEYOND DEFAULT: HOW PROPANE LEADERS CAN EMPOWER DISPATCHERS TO WIN IN VOLATILE MARKETS

4 angles for building resilient, cost-effective fuel supply operations in 2026

BY JAMES WROTEN

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Ask any propane dispatcher how they decide which terminal to pull from and which truck to use, and the answer is almost always the same: the closest supply point and the familiar carrier. It is not laziness. It is not a lack of professionalism. It is simple arithmetic — a busy dispatcher working against the clock cannot realistically evaluate every possible combination of supply location, contract type, freight rate and surcharge on every single load.

If a dispatcher has six possible supply terminals and five carrier options, that is 30 distinct supply combinations to evaluate on each order. Without the right tools, infrastructure and organizational support, defaulting to "closegst and favorite" is not just understandable — it is the only rational choice.

The real question is this: Should company leadership accept that reality, or should they build systems and strategies that change it?

The answer, increasingly, is clear. In a volatile fuel market — where propane prices can swing sharply on weather events, pipeline disruptions or export dynamics — organizations that have built a more flexible supply model will consistently outperform those that have not. The margin opportunity is real, and it is not captured through any single initiative. It requires a deliberate, multilayered approach from leadership.

This article outlines that approach across four key dimensions: supply relationships, transportation structure, technology and decision support, and inventory intelligence.

DIMENSION 1: PROACTIVELY EXPAND YOUR SUPPLY RELATIONSHIPS BEFORE YOU NEED THEM

The single-most underappreciated risk in propane retail and wholesale operations is supply concentration. Many companies have deep, longstanding relationships with one or two primary suppliers — and that is where their practical supply options end. During normal market conditions, this works fine. But when markets tighten, when a primary terminal experiences an operational disruption or when a regional price differential suddenly makes an alternative source highly attractive, the organization has no road ready to drive on.

Building alternate supply relationships is a leadership responsibility, not a dispatcher responsibility. It requires proactive contract negotiations, credit setup and logistical groundwork during calm market periods — not as a crisis response when options are already constrained.

The following are practical steps leadership should take now:

- *Map your current supply concentration.* How many unique suppliers and terminals does your organization have active relationships with? What percentage of your volume flows through your top two sources?
- *Identify viable alternative terminals.* In your geographic footprint, identify those you have never used. Even terminals that are not cost-competitive in normal conditions may become valuable during tight markets or disruptions.
- *Establish credit and contractual relationships proactively.*

The time to set up accounts, negotiate framework agreements, and understand the fee and differential structures at alternative terminals is during favorable conditions — not when you urgently need product.
- *Include alternates in regular pull activity.* Even modest periodic volume through alternative suppliers keeps those relationships active, keeps your staff familiar with those terminals and maintains your standing as a credible customer.

The goal is not to overhaul your primary supply strategy. It is to ensure that when market conditions shift — and they will — your dispatchers have real, activated options to turn to, not just theoretical ones.

DIMENSION 2: RESTRUCTURE HOW YOUR INTERNAL FLEET IS MANAGED & ACCOUNTED FOR

For organizations that operate an internal trucking fleet, how that fleet is managed financially and operationally has a direct and significant impact on supply decision quality.

In many propane companies, the cost of operating the internal fleet is simply absorbed into the overall supply cost — an undifferentiated line in the budget. This structure creates two significant problems.

First, it hides the true cost of transportation. When freight expense is blended into supply overhead, dispatchers have no reliable way to compare the cost of using an internal truck versus hiring a common carrier on any given load. The result, again, is default behavior: The internal fleet gets used because it is familiar and because there is no clear cost signal pointing toward an alternative. Second, it removes accountability from the transportation division. When the fleet does not have to earn its keep against a defined rate structure, there is limited pressure to operate competitively or efficiently.

The solution is to establish internally published common carrier rates for your fleet — point-to-point freight rates and surcharges, structured the same way a third-party carrier would price a lane. These rates serve several important functions:

- *They become inputs for supply decisions.* When a dispatcher is evaluating which terminal to pull from, the internal fleet's freight cost for each lane is a known number — just like it would be for a contracted common carrier. This allows genuine comparison and genuine optimization.
- *They create a transparent P&L for the transportation division.* With defined rates, the fleet generates an internal revenue stream for every load it delivers. Leadership can now see whether the fleet is truly profitable or whether it is being subsidized by the supply operation.
- *They enable flexible dispatch.* If a dispatcher can see that, on a particular load, a common carrier is meaningfully cheaper or is available when the internal fleet is not, they can make that call. The internal fleet is no longer treated as a mandatory service — it competes on merit.
- *They create benchmarking discipline.* When internal rates are set against common carrier market rates, fleet management has clear targets for cost control and efficiency. Over time, this builds a more competitive and cost-aware transportation operation.

This is a structural change that requires leadership commitment to implement — rethinking how costs are allocated, how the fleet's contribution is reported and how dispatchers are empowered to choose. But for organizations willing to make it, the result is a fundamentally more rational and cost-efficient supply chain.

DIMENSION 3: BUILD DECISION SUPPORT SYSTEMS THAT MAKE THE RIGHT ANSWER EASY TO SEE

Even with expanded supply relationships and a restructured fleet model, dispatchers cannot act on information they cannot see. The third dimension of the framework is the information environment in which dispatchers work.

The challenge is not that dispatchers lack intelligence or work ethic. The challenge is that the data required to make an optimal supply decision — current supply pricing at each terminal, applicable contract formulas and differentials, point-to-point freight rates, fuel surcharges by carrier and lane, and a resulting delivered cost — is almost never available in one place, in real time, in a format that supports rapid decision-making.

Many propane operations still rely on a patchwork of legacy back-office systems, spreadsheets, email-based pricing updates and institutional knowledge held by experienced dispatchers. This environment has two critical failure modes.

The first is accuracy: Pricing data that lives in spreadsheets is stale the moment it is entered. A dispatcher working off a pricing sheet that is even a day or two old may be making decisions based on prices that no longer reflect reality.

The second is fragility: When the experienced dispatcher who holds all that institutional knowledge in their head leaves or is unavailable, the organization's supply decision quality drops immediately and significantly. This is not a hypothetical risk — it is a recurring operational reality for companies of all sizes.

The goal for leadership is to build or adopt decision support systems that make the critical data visible and actionable. These systems do not need to be expensive or complex. Depending on the scale and resources of the organization, the right solution might be:

- *Purpose-built supply management software* that centralizes contracts, pricing indexes, freight rates, and surcharges, and surfaces delivered-cost comparisons for dispatchers in real time.
- *A well-designed and rigorously maintained Excel workbook* that brings pricing and freight data together

in a consistent format — a meaningful upgrade from scattered spreadsheets, though it requires discipline to keep current.

- *Custom-developed tools* built internally or with outside development support, tailored to the specific terminal and carrier network of the organization.
- *AI-assisted analysis tools* that can help aggregate pricing data, model scenarios or flag low-cost alternatives — increasingly accessible even for smaller operators.

Regardless of the format, the functional requirements are consistent: Dispatchers should be able to see all viable supply points, the product cost at each, the freight cost for each carrier on each lane and a resulting delivered price — sorted, ideally, from lowest to highest. They should be able to make the best supply decision with confidence, without spending 30 minutes reconstructing the math by hand. Leadership's responsibility here is not to mandate a specific technology. It is to invest in building this visibility, in whatever form it takes, and to maintain it with the rigor that operational data requires.

DIMENSION 4: VALUE INVENTORY AS AN ACTIVE SUPPLY OPTION

For companies that carry bulk propane inventory — at company-owned terminals, bulk plants or hub locations — that inventory is not just product waiting to be moved. It is a supply option with a measurable cost, and it should be evaluated as such alongside purchased supply.

This requires that bulk inventory be valued on a current basis. The most defensible and operationally useful approach is a weighted average cost of goods (WACOG) model, recalculated at minimum daily, ideally in real time as loads are received and delivered.

When inventory is valued accurately, dispatchers and supply managers gain meaningful decision-making capabilities:

- *In a rising market,* inventory that was purchased at lower cost may represent the cheapest available supply option — cheaper than the current market price at any terminal. Deploying that inventory strategically rather than reflexively replenishing it at peak prices can meaningfully protect margin.
- *In a falling market,* understanding the cost basis of current inventory allows the organization to make informed decisions about timing new purchases to avoid locking in higher costs unnecessarily.
- *For fixed-price contract management,* knowing the current inventory cost relative to the fixed contract price helps determine the most advantageous timing for lifting fixed-price volume versus index volume.

Without current inventory valuation, these decisions are made on intuition and general market awareness rather than on actual cost data. That is a significant and correctable information gap. The WACOG calculation does not require a sophisticated system to be valuable. Even a disciplined, well-maintained daily log of receipts, prices and deliveries can support this analysis for smaller operations. For larger organizations, integrating real-time inventory valuation into the dispatch workflow closes the loop between inventory management and supply sourcing.

PUTTING IT TOGETHER: A LEADERSHIP AGENDA

The four dimensions described in this article — supply relationship breadth, fleet structure and accountability, decision support systems and inventory intelligence — are not independent initiatives. They reinforce each other.

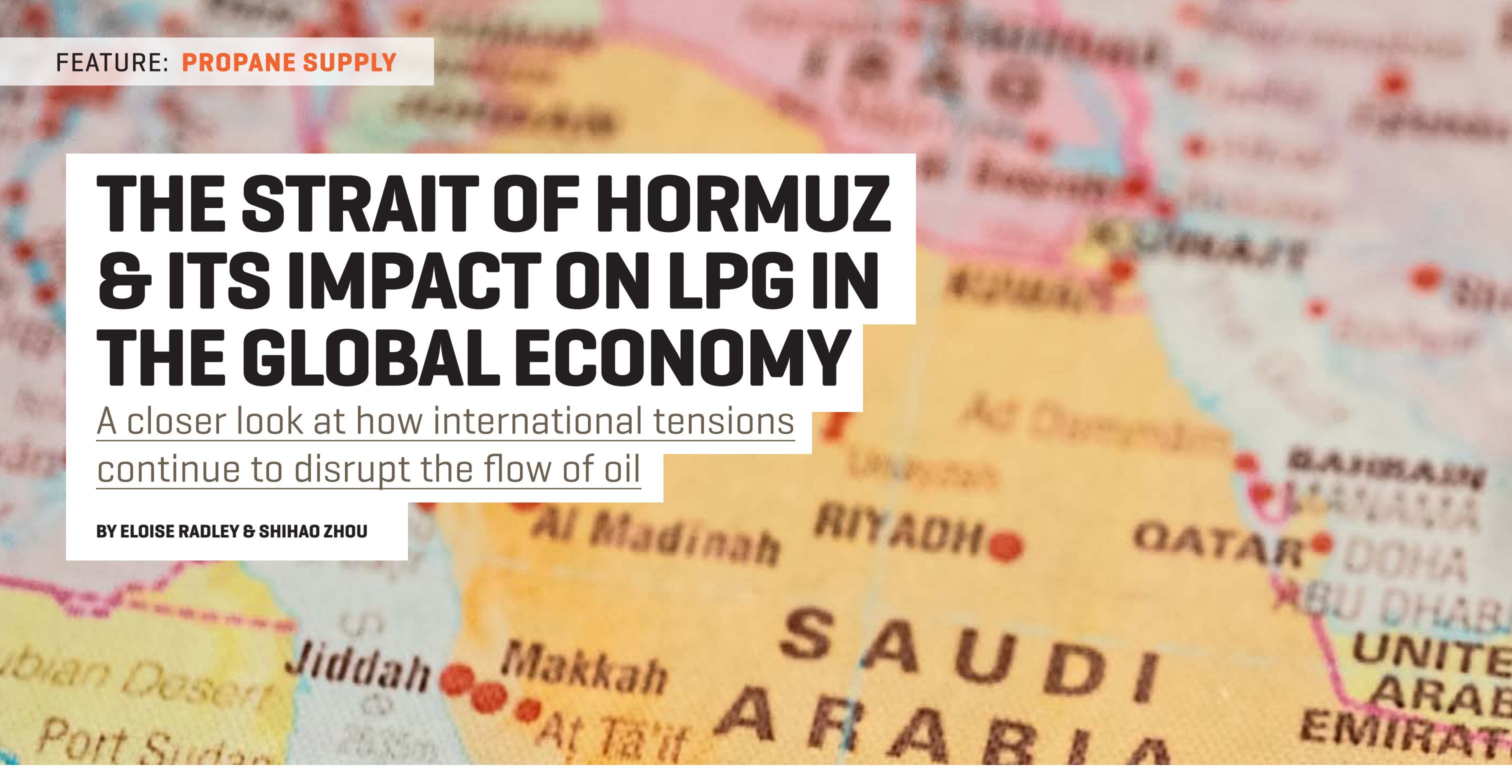
A dispatcher who has visibility to delivered costs across six terminals is in a much better position to act on that information if supply relationships and credit have already been established at all six. A fleet that is structured as a profit center with defined rates is a more reliable input into those delivered-cost comparisons. And inventory that is valued daily is a genuine competitor in the supply options matrix, not an afterthought.

None of this happens without leadership intentionality. Dispatchers — even talented and experienced ones — work within the systems, structures and relationships the organization provides for them. When those systems are limited — when supply options are narrow, freight costs are opaque and inventory valuation is lagged — dispatchers are left choosing between imperfect options, and margin is left on the table through no fault of their own.

The companies that consistently outperform in volatile markets are not those with the luckiest pricing or the best-connected traders. They are the ones that have done the organizational work to make good decisions accessible to the people making them every day.

In propane distribution, that work starts with leadership, and it shows up in the outcomes that dispatchers are equipped to deliver.

James Wroten works with propane and distillate fuel retailers and wholesalers to improve supply chain visibility, decision support and operational performance. Visit optistream.com.



THE STRAIT OF HORMUZ & ITS IMPACT ON LPG IN THE GLOBAL ECONOMY

A closer look at how international tensions continue to disrupt the flow of oil

BY ELOISE RADLEY & SHIHAO ZHOU

Editor's Note: The information in this article was accurate at the time it was written in mid-August. Though BPN encourages readers to check the most up-to-date information for changes after publication, this article analyzes the impact of global conflict on oil to provide insights on trends that can be extrapolated down the road.

PART 1

By Eloise Radley

Benchmark crude prices remain gripped by volatility as market participants weigh the prospect of a deal between the United States and Iran to fully reopen the Strait of Hormuz following months of disruption to Middle Eastern energy flows.

The ICIS Dated BFOE benchmark climbed to $105.34/barrel on July 23 as tensions in the Gulf flared once again, before falling to $88.44/barrel on Aug. 7. (BFOE refers to Brent-Forties-Oseberg-Ekofisk, representing North Sea crude oil grades that provide a benchmark for international pricing.)

Growing hopes that a diplomatic breakthrough could restore normal shipping activity in the Strait of Hormuz, a critical waterway that carried around 20% of global seaborne oil flows before the conflict, have softened crude prices in August.

Iran stated on Aug. 9 that it was close to finalizing a deal with Oman that would outline new shipping lanes in the Strait of Hormuz.

However, significant disagreements between Tehran and Washington remain. Iran continues to seek compensation for U.S. military strikes and has proposed a tolling mechanism for vessels using the route, with reports suggesting fees of 5%-7% of cargo value.

The U.S., meanwhile, has maintained that the Strait should reopen without conditions or transit charges before it will consider lifting its naval blockade on Iranian ports.

Although traffic has increased since the partial reopening in June, vessel movements remain well below normal levels, highlighting persistent concerns among shipowners and insurers over security.

Fewer than 10 ships are said to have traversed the Strait of Hormuz in a 24-hour period in recent weeks.

Supply disruption worries have also been amplified by Houthi attacks in the Red Sea. The Iranian-allied group has maintained pressure on shipping transiting the Bab el-Mandeb, another strategic chokepoint that historically handled around 10%-12% of global seaborne oil trade, while also targeting regional energy infrastructure.

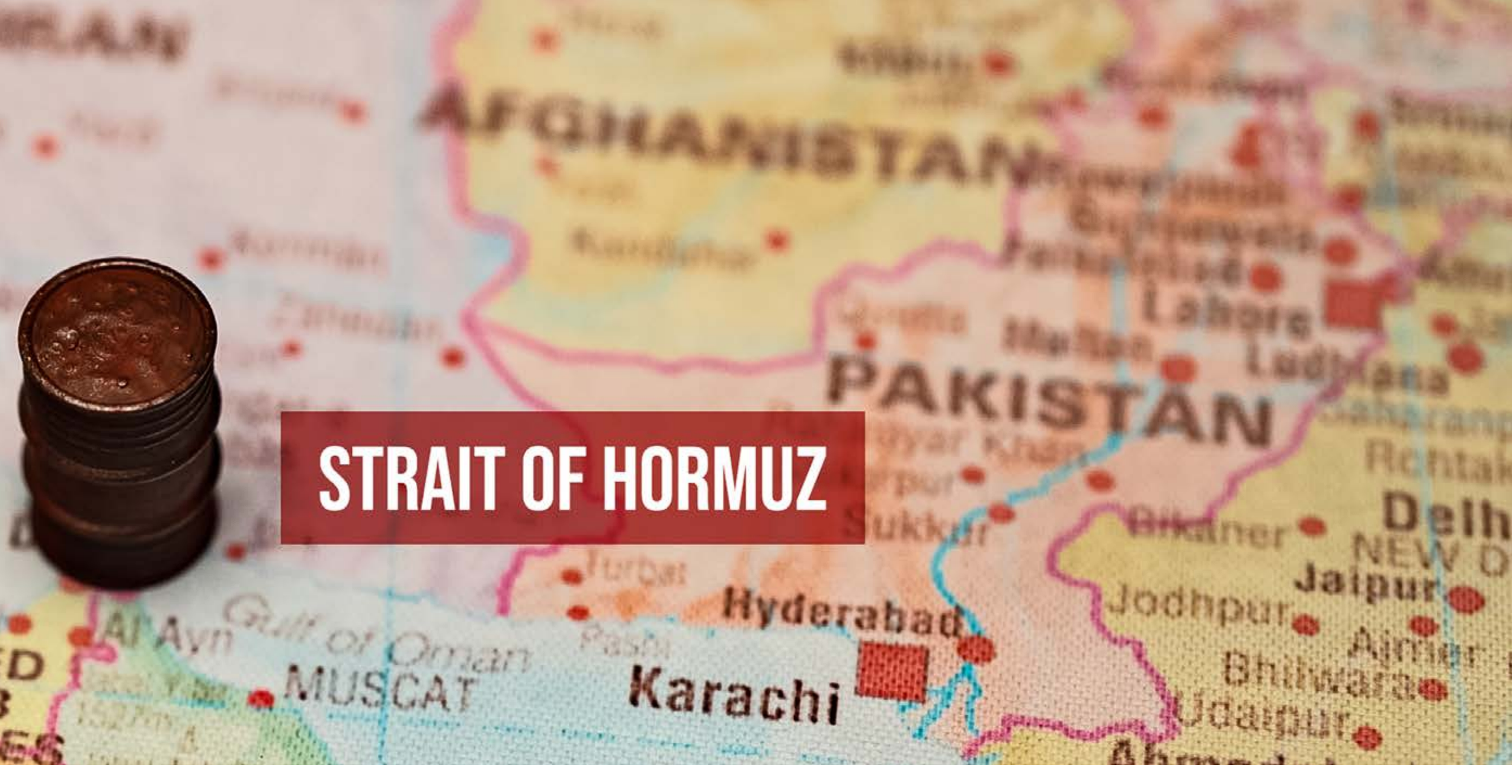
This has left several vessels to reroute north through the Suez Canal, adding around two weeks to voyages from the Middle East to Asia.

More recently, on Aug. 9, the Houthis launched an attack on Saudi Arabia's 400,000 barrel/day Jazan refinery.

Without a shift agreement between the U.S. and Iran to reopen the Strait and the deescalation of tensions across the wider region, crude and oil product flows from the Middle East will be vulnerable to disruption and benchmark crude prices vulnerable to price spikes.

ASIAN INVENTORIES HELP CONTAIN PRICE RALLIES

Despite geopolitical risks, strong crude inventories across Asia are helping prevent a renewed surge in benchmark prices. The reopening of the Strait of Hormuz in June triggered a wave of restocking activity across Asia as refiners took advantage of restored Middle East crude flows.



STRAIT OF HORMUZ

M-PRODUCTION - STOCK.ADOBE.COM

With buyers now holding healthier stock levels and many alternative cargoes already secured, the market is less vulnerable to panic buying than it was during the initial phase of the conflict.

PART 2

PROPANE BUYERS TURN TO DIVERSIFICATION

By Shihao Zhou

While Asian crude inventories have helped cushion the impact of supply disruptions on benchmark oil prices, propane buyers have increasingly focused on supply diversification to manage geopolitical risks.

China, India and other Asian buyers have increased purchases from suppliers, including the U.S., Canada and Russia, reducing their reliance on any single source of supply. In China, the diversification process began earlier following the U.S.-China tariff dispute, while the Strait of Hormuz disruption further accelerated the shift toward a broader supplier base across Asia.

According to the ICIS Supply and Demand Database, the combined share of U.S. and Middle Eastern liquefied petroleum gas (LPG) in China's imports fell from 92.3% in 2024 to 70.9% in the first half of 2026. Meanwhile, the Middle East's share of India's LPG imports declined from 90.5% in 2025 to 75.6% during the January to May 2026 period.

A Chinese LPG importer said that while companies continue to maintain a certain proportion of term-contract purchases, they currently prefer to retain greater flexibility through spot market procurement. With alternative supply sources such as Canada and Russia continuing to expand, the market is no longer as concerned about supply shortages as it was in the past.

During periods of heightened supply risk, such as the closure of the Strait of Hormuz, buyers place greater emphasis on supply reliability when making purchasing decisions. However, under normal market conditions, lower-priced cargoes remain the primary consideration.

This suggests that even if Middle Eastern supply fully normalizes in the future, suppliers in the region are likely to face greater pricing pressure than before as competition from alternative sources intensifies.

Middle Eastern exporters, meanwhile, are already taking steps to strengthen their position in the market. On Aug. 7, ADNOC announced a $1.3 billion investment to acquire 11 VLGCs (very large gas carriers) and VLCCs (very large crude carriers), expanding its shipping capacity and improving logistics control.

Market participants also said some Middle Eastern suppliers have begun absorbing additional costs, including insurance-related expenses, to ease buyers' concerns over supply security.

While price is likely to remain the primary consideration for both buyers and suppliers, the recent disruptions have highlighted the growing importance of supply flexibility, logistics reliability and customer support. Buyers are expected to continue diversifying supply sources, while suppliers may need to strengthen service and logistics capabilities alongside maintaining competitive pricing.

Eloise Radley is a crude oil deputy editor at ICIS, and Shihao Zhou is a data analyst at ICIS. ICIS delivers independent commodity pricing and analytics, news, market intelligence and insight across global chemical and energy markets. Visit icis.com.

BEFORE THE FILL: BUILDING A CULTURE OF SAFETY

IMAGE COURTESY OF THE PROPANE EDUCATION & RESEARCH COUNCIL

Prefill inspections help identify potential hazards & ensure cylinders are safe for continued service

BY ALEX YOUNG

In the propane industry, educating employees on safe work practices is the No. 1 priority. Ensuring employees return home every day to their loved ones in the same condition as they arrived at work is the only acceptable standard.

Achieving that goal relies on building and maintaining a strong safety culture where proper training, strict adherence to procedures and attention to detail are part of every task performed.

While filling procedures often receive the most attention, the prefill inspection is just as critical. It is the first, and perhaps most important, step in protecting employees and customers.

A QUICK CHECKLIST

Before filling any cylinder, verify that:

- Required cylinder markings are present and legible.
- The cylinder is within its required qualification period.
- The cylinder shows no evidence of dents, bulges, excessive corrosion, fire damage, leaks or unauthorized modifications.
- The valve and connections are in acceptable condition.
- Areas susceptible to hidden moisture or deterioration have been properly considered during the inspection.
- The cylinder meets all applicable Department of Transportation, NFPA and Compressed Gas Association requirements for continued service.

A thorough prefill inspection is not simply another box to check; it is one of the most effective safeguards the industry has put in place.

As a manufacturer of pressure cylinders, Worthington Enterprises stresses the importance of following proper protocols for the safe storage, handling, transportation and use of liquid propane gas and systems outlined by the National Fire Protection Association (NFPA). These rules have been put in place to protect employees and the consumer, as well as to prevent catastrophic outcomes.

NFPA 58, also known as the "Liquefied Petroleum Gas Code," requires that any company filling pressure cylinders with propane must properly train all employees on safe work practices, the health and safety hazards of propane, and emergency response procedures. In addition, companies are required to provide supervised on-the-job instruction and also assess each employee's ability to perform their assigned duties.

From driving a bobtail full of fuel or in cylinders loaded on a truck, to filling or withdrawing fuel from a cylinder, to making stationary installations, all employees should be familiar with the guidelines outlined in NFPA 58.

PREFILL INSPECTION: IT'S MORE THAN A QUICK GLANCE

The first key step is knowing how to determine whether a cylinder is suitable for continued service. Regardless of the cylinder's material, age or application, no cylinder should be filled until it has been verified to be properly marked within the qualification window and free from conditions that could negatively impact safety.

A proper inspection goes beyond confirming that a cylinder just looks acceptable. Any person filling the cylinder should first check for required markings, including:

- Service pressure
- Tare weight
- Water capacity
- Requalification markings and dates

The visual inspection should also include a thorough evaluation of the overall appearance of the cylinder. That means checking for signs of:

- Dents or damage from impact
- Corrosion or deterioration
- Leaks
- Damaged valve connections
- Fire or excessive heat exposure
- Bulges or distortion
- Unauthorized repairs or modifications
- Inappropriate attachments

Each of these conditions can affect the cylinder's ability to safely contain pressure and should be evaluated in

IMAGE COURTESY OF WORTHINGTON ENTERPRISES

accordance with applicable codes and standards before filling.

PAY CLOSE ATTENTION TO WHERE MOISTURE GATHERS

Inspection points that deserve extra attention are areas where moisture can collect, such as on the bottom or foot ring area of a cylinder, around the collar or under a lid — just to name a few.

Moisture can sit in some of these less obvious locations and cause corrosion over time. That's why inspection should not be limited to just the most visible surfaces of the cylinder. Understanding cylinder construction and locations prone to deterioration is very important.

UNDERSTANDING ALL GUIDELINES FOR PROPER FILLING

After the prefill inspection, the filler should verify that required valves and safety devices are present and in acceptable condition. During the fill process, employees need to ensure the cylinder is not overfilled. This is important because propane can expand as its temperature increases, so adequate vapor space must remain within the cylinder.

Additionally, an overfilling prevention device (OPD) should never be treated as a reason to intentionally overfill or as a substitute for proper filling procedures. Where an OPD is required, the cylinder should not be filled unless the required device is installed and functioning as intended. Cylinders should only be filled by weight or volume. Once the cylinder is filled, it is important to ensure the valve and connection area is free of any leaks before it is ready to be put in service.

SAFETY IS A SHARED RESPONSIBILITY

All pressure cylinder manufacturers are required to design and produce cylinders to meet stringent regulatory requirements. Once in the field, it is up to marketers to ensure cylinders are inspected, handled, maintained and filled throughout each cylinder's service life. Safety relies on everyone to do their part in the process.

Everyone in the industry has an opportunity to prevent incidents by taking a few additional moments to perform a complete inspection and refusing to fill cylinders that do not meet safety requirements.

The guidance in this article does not replace a thorough understanding of

EXCERPT FROM NFPA 58

6.31.5.4 Transfer into a portable DOT cylinder shall meet the provisions of 6.31.5.4(A) through 6.31.5.4(F).

(A) Transfer shall be made only through a hose of nominal 1 in. (25 mm) size or smaller.

(B) The delivery valve and nozzle combination shall mate with the cylinder valve in the receiving cylinder such that no more than 0.24 in.^{3} (4000 mm^3) of LP-Gas (i.e., liquid equivalent) is released to the atmosphere when they are uncoupled following a transfer of LP-Gas.

(C) Cylinders shall be filled according to weight.

(D) Fixed maximum liquid level gauges shall not be used in the filling of cylinders.

(E) An overfilling prevention device shall not be used to determine when a cylinder is filled to the maximum allowable filling limit.

(F) The cylinder shall have a propane capacity of 100 lb (45.4 kg) or less.

regulatory requirements. Please refer to NFPA 58 Liquefied Petroleum Gas Code, 2024; Compressed Gas Association C-6 Standard for Visual Inspection of Steel Compressed Gas Cylinders; and the Propane Education & Research Council's PERC Education Program Module — Inspect Portable Cylinder (from the PERC Learning Center).

Alex Young is senior category marketing specialist for Worthington Enterprises' Building Products business, leading strategy for the LPG product portfolio. She also serves as co-chair of the Women in Propane communications and marketing committee. A former multimedia journalist, Young brings more than 15 years of expertise in marketing and communications. Visit worthingtonenterprises.com.

HOW OPERATIONAL EXCELLENCE FUELS COMMERCIAL PERFORMANCE

Upholding key operations markers leads to competitive margins & stronger commercial relationships

MIKEOSPHOTO - STOCK.ADOBE.COM

BY NASHAY NAEVE

In industrial manufacturing, there is often an artificial divide between delivering short-term operational performance and building long-term resilience. In reality, the strongest manufacturing businesses do both simultaneously. The operational decisions that improve cost, productivity and efficiency today are often the same decisions that strengthen commercial competitiveness and position a business to better withstand market cycles, supply disruptions, labor constraints and pricing pressure tomorrow.

Throughout my experience leading industrial and engineered manufacturing businesses, I've seen firsthand how operational discipline directly translates into commercial advantage.

One of the clearest examples came through production process optimization. In several manufacturing environments, we transitioned portions of production from traditional batch processing toward more continuous manufacturing approaches. Initially, the focus was operational: improving throughput, reducing labor intensity, stabilizing quality and minimizing wasted machine time. The outcome, however, extended far beyond the factory floor.

By improving process flow and reducing inefficiencies, we achieved middle double-digit cost reductions across targeted product families. That fundamentally changed the business's competitive position in the market.

Lower conversion costs created significantly greater commercial flexibility. In highly competitive industrial markets, the lowest-cost producer is often best positioned to defend market share, respond to pricing pressure and compete for strategic programs without sacrificing profitability. Operational improvements allowed us to become more aggressive where needed commercially while simultaneously improving margins.

Equally important, process stability improved customer confidence. More predictable manufacturing performance translated into stronger delivery reliability, more consistent quality and faster response times — all of which directly influence customer retention and new business opportunities in industrial markets.

OPERATIONS IMPACT COMMERCIAL VALUE

Operational efficiency is often discussed strictly through the lens of cost reduction. In reality, customers experience operational excellence commercially. They see it through delivery performance, responsiveness, quality consistency and supply reliability.

Portfolio rationalization represented another major opportunity to further strengthen both operational and commercial performance across the business.

Many industrial businesses accumulate product complexity over decades: low-volume stock-keeping units, redundant offerings, legacy configurations or highly customized products that create operational burden without generating meaningful profitability. While each individual product may appear manageable, collectively they drive inefficiency across procurement, scheduling, inventory, manufacturing and customer service.

Simplifying and consolidating the portfolio often unlocks more value than continuously expanding it.

By streamlining overlapping products, consolidating specifications where possible and focusing resources on the most strategic and profitable segments, operations became materially easier to manage. Procurement leverage improved. Inventory became more controllable. Production scheduling became more efficient. Manufacturing teams spent less time managing unnecessary variability and more time driving performance.

Commercially, this focus created clarity. Rather than spreading resources across marginal or highly fragmented product lines, the organization could invest more heavily behind products and markets where it had differentiated capability, stronger margins and greater growth potential. Sales teams benefited from a more focused value proposition. Customers benefited from improved

service and reliability. The business became more strategic rather than simply broader.

Importantly, reducing operational complexity also improved resilience. Businesses with simpler, more focused operations are typically more agile during periods of disruption because they can react faster, allocate resources more effectively and maintain service levels with less organizational strain.

Productivity management is another area where operational discipline directly impacts commercial outcomes.

Too often, organizations focus heavily on capital investment while underestimating the cumulative effect of daily operational losses. Downtime, micro-stoppages, unplanned maintenance events, labor inefficiencies and extended changeovers quietly erode both profitability and customer performance every day.

High-performing operations build rigorous systems around productivity monitoring — not simply reporting metrics, but creating accountability and visibility around root causes.

In my experience, the companies that sustain strong operational performance over time are those that aggressively identify and address downtime drivers before they become normalized within the organization. Whether the issue stems from maintenance practices, staffing challenges, process instability or scheduling inefficiencies, the discipline of continuous productivity management creates a culture of operational ownership.

That operational consistency ultimately strengthens commercial relationships. Customers value suppliers who can reliably deliver during periods of volatility. They value stable lead times, predictable quality and confidence that supply commitments will be met. In many industrial sectors, those factors become just as important as price.

When market conditions tighten, resilient manufacturers are not forced into reactive decision-making because they have already built structurally stronger operations. Their cost position is more competitive. Their processes are more stable. Their organizations are less burdened by unnecessary complexity. And their productivity systems allow them to respond quickly and decisively to changing customer and market demands. Operational excellence and commercial performance are not separate conversations. They are instead deeply interconnected.

The manufacturers that will outperform over the next decade will not simply be the businesses investing in growth, automation or technology independently. They will be the organizations that understand how operational simplification, process optimization, disciplined productivity management and portfolio focus collectively create stronger customer value propositions and more durable competitive advantage over time.

Nashay Naeve is a business leader in industrial manufacturing with experience across engineering, operations, product management and commercial strategy. She has led global manufacturing and business transformation initiatives focused on productivity, operational excellence and long-term value creation.

THE VALUE OF ASSOCIATION MEMBERSHIP

Why propane marketers & suppliers join associations — & why they stay

BY JACQUELINE PIAZZA & CHERYL LYTLE

It starts with membership.

Joining your state propane association may seem like a simple business decision, but membership opens the door to opportunities that can strengthen your company, develop your employees, connect you to the industry and give you a voice in decisions affecting your business.

The propane sector consists of local businesses built on statewide relationships. Regulations can vary from one state to another. Legislators shaping energy policy answer to different constituents, and every state has its own regulatory structure.

Yet across the country, the value of association membership is remarkably similar overall.

INFORMATION & EDUCATION LEAD THE WAY

One of the greatest benefits of association membership is having a direct connection to what's happening in the propane industry. State associations help members stay informed about regulatory changes, legislation, safety issues, training opportunities and emerging challenges that could impact their business. Staying informed helps marketers and suppliers make better decisions, while education and training help build safer, stronger and more professional teams.

Every state propane association shares some version of the same mission: supporting the propane industry while promoting propane as a safe, reliable and efficient energy source. How that mission is accomplished may look different from state to state because the needs of members — and the regulatory environments in which they operate — are different.

That's exactly why the state association matters so much.

REGULATORY SUPPORT: LOCAL KNOWLEDGE MATTERS

Regulatory compliance is one area where differences between states become especially clear. Every state has its own agencies, codes, regulatory relationships and processes. Your state association understands that landscape and can help members stay informed as requirements change or questions arise.

No matter the state, every association is built around the same idea: You shouldn't have to navigate industry regulations alone. Whether that means helping you make sense of a new rule, standing up for propane's perspective when regulations are being written or offering the training you need to feel confident and compliant, your association has your back. Often, that looks like a webinar or hands-on training session, tailored to what's happening in your state, so you're never left guessing.

ADVOCACY: A VOICE YOU CAN'T BUILD ALONE

The same is true at the statehouse. Individual propane businesses rarely have the time or resources to maintain ongoing relationships with lawmakers, monitor every piece of legislation and regulatory proposal, and show up every time an issue affecting propane is debated. Collectively, an association can.

State associations give the industry an organized, unified voice at the state capitol — bringing members together for lobby day so legislators hear directly from the people this industry actually affects. On the national level, the National Propane Gas Association carries that same voice to Washington, with Propane Days bringing members from across the country together each year to advocate for propane on Capitol Hill.

Two levels, one message: When propane shows up in a legislative conversation, someone from this industry is in the room. There is power in that collective voice.

When an elected official or regulator hears from an association representing companies, employees and customers across an entire state, the industry has a presence that would be difficult for any one business to create alone.

Membership helps make that representation possible.

MARKETERS & SUPPLIERS: WE NEED EACH OTHER

When people picture a propane association member, they may first think of a marketer delivering propane to homes, farms and businesses.

But suppliers are an equally important part of the association community. The companies manufacturing and selling tanks, gauges, valves, trucks, equipment, appliances, technology and countless other products are part of the same propane ecosystem.

Association membership brings those groups together.

For marketers, that means access to the people developing and supplying the equipment they use every day. For suppliers, it means direct relationships with the companies and people using their products in the field.

And when marketers and suppliers sit together at association events, serve on committees and tackle industry challenges together, the entire industry gets stronger.

BRINGING INDUSTRY RESOURCES HOME

State associations also help connect members with resources available through the broader propane industry, including the Propane Education & Research Council (PERC).

PERC resources support programs such as training, education, research, consumer awareness and market development. At the state level, those resources can help create opportunities that directly benefit propane professionals and the communities they serve.

The programs and priorities may differ from state to state, but the goal is the same: putting propane industry resources to work at the state and local level.

EVENTS: WHERE EDUCATION MEETS OPPORTUNITY

Association events bring all these benefits together. Conventions, training programs, webinars, board meetings, legislative days, golf outings, tailgates and other gatherings create opportunities to learn about the industry and stay current on the issues affecting your business.

But something else happens when propane people get together …

NETWORKING

Don't discount networking. The word can sound like business jargon — something you're supposed to do because you might find a new customer, meet a supplier or uncover a business opportunity. In the propane industry, networking can become something much bigger.

You meet someone at an association event. The next time you see each other, you sit together at dinner. Soon, you're calling each other with industry questions, comparing notes about challenges and celebrating successes.

Eventually, you know their spouse. You know their kids. You know what's happening in their life outside of propane. Before you know it, that industry connection has become a friend — the kind of friend who visits your home. The kind who answers the phone when you need help. And, yes, the kind who would probably donate a kidney if you needed one.

WE KNOW, BECAUSE IT HAPPENED TO US (WELL, NOT THE KIDNEY PART)

Our friendship is one of those association stories. We came together because of propane. Through association work, industry events, meetings, phone calls, shared challenges and plenty of laughs, we became more than colleagues. We became friends.

That's a membership benefit you'll never see printed on an application or listed in a dues renewal notice. Yet ask people who have been active in the propane industry for decades what they value most, and chances are that somewhere in their answer, you'll hear about the people they've met along the way.

MEMBERSHIP OPENS THE DOOR

The value of association membership can be measured in education, advocacy, regulatory information, industry resources, professional development and business connections. Those benefits alone make a compelling case for membership.

But joining is only the beginning. Membership opens the door. You have to walk through it.

Attend the meeting. Sign up for the training. Go to the convention. Join a committee. Participate in a legislative day. Introduce yourself to someone you don't know. Sit at a different table. Ask a question. Make the phone call.

The more you participate, the more valuable your membership becomes — not only to you and your company, but to the entire propane industry.

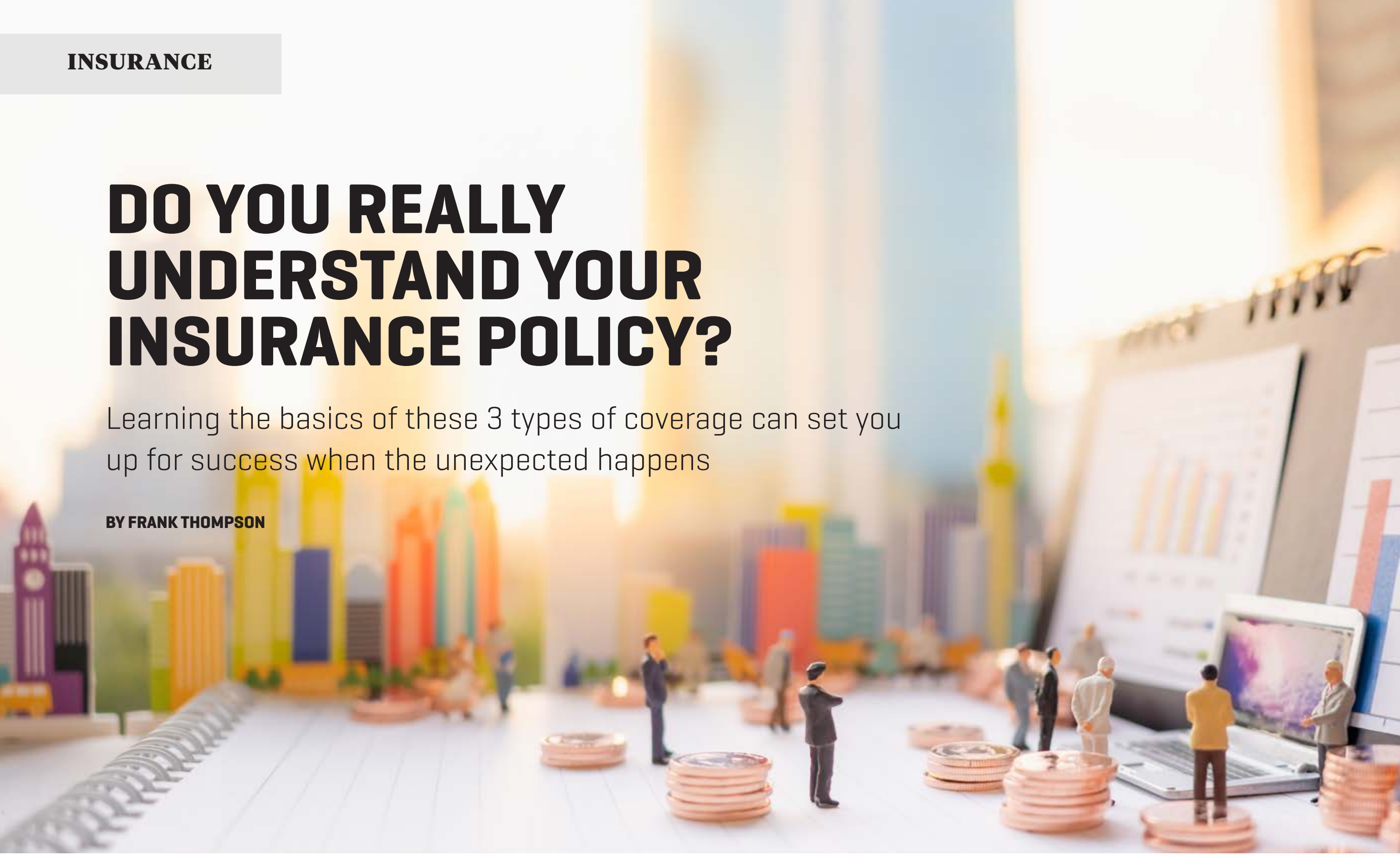
If you're a propane marketer or supplier wondering whether association membership is worth the investment, ask yourself a few questions:

Who is watching the regulatory and legislative issues affecting your business? Who is helping train and educate your workforce? Who is representing propane when policymakers are making decisions about energy? Who can you call when you encounter an industry challenge you've never faced before?

And perhaps one more: Who haven't you met yet?

Because somewhere at your next association event could be a future customer, a trusted business resource, a mentor — or one of the best friends you'll ever have.

Brought to you by two propane friends, Jacqueline Piazza from the New Jersey Propane Gas Association and Cheryl Lytle from the Wisconsin Propane Gas Association. Visit njpga.org and wipga.org.



DO YOU REALLY UNDERSTAND YOUR INSURANCE POLICY?

Learning the basics of these 3 types of coverage can set you up for success when the unexpected happens

BY FRANK THOMPSON

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For more than 33 years, I've attended and exhibited at propane trade shows across the United States. Over that time, I've had the opportunity to speak with hundreds of propane marketers. Some stop by our booth because they're curious about the insurance companies we represent. Others are simply looking for a free pen or a propane stress ball. Many come by to catch up with old friends.

What surprises me is how few people take the time to ask meaningful questions about their insurance.

That's concerning because, for most propane companies, insurance is one of their largest operating expenses. More importantly, it protects everything they've spent years building.

Many business owners assume every insurance agent understands the propane industry and that one policy is essentially the same as another. When the renewal arrives, the policy often gets tossed into a drawer without ever being read.

Think about that for a moment.

Companies with millions of dollars in assets routinely place their future in the hands of someone they may have never met. They may not know the agent's experience or credentials, haven't had their coverage explained and receive a quote based largely on last year's policy. Too often, there isn't even a written proposal — just a price quoted over the phone at the last minute.

One propane marketer made a comment I'll never forget:

"I appreciate an agent who knows propane, but what I really need is an agent who knows insurance — and can help me understand it."

That statement perfectly captures the challenge facing many business owners.

When you purchase an insurance policy, the policy assumes — in writing — that you've read it and understand what you've purchased. That's a daunting expectation when many commercial package policies are several hundred pages long.

The reality is that buying insurance is nothing like buying a vehicle. When you purchase a truck, you can see it, drive it, compare features, inspect the workmanship and evaluate it against competing models.

Insurance is different.

You can't test-drive an insurance policy. You can't look under the hood or take it for a spin. What you're really purchasing is a promise — a promise that if you experience a covered loss, the policy will respond as intended. That makes understanding what you've purchased just as important as the price you paid for it.

So, what should propane marketers actually understand about their insurance coverage?

You don't have to become an insurance expert, but you should understand the basics of the three coverages that protect the majority of your business: property insurance, general liability insurance and business auto insurance. A good agent should be able to explain each of these in plain English.

1. PROPERTY INSURANCE

Most business owners know that property insurance covers buildings

and equipment after a fire, windstorm or other covered loss. But that's only the beginning.

Do you know how your buildings are valued? Are they insured for actual cash value or replacement cost? If your bulk plant or office was destroyed tomorrow, would your policy pay enough to rebuild it at today's construction costs?

What about your propane cylinders, tanks, meters, regulators, pumps and other equipment? Are they all covered? If they are stored at multiple locations or temporarily at a customer's site, does your policy still protect them?

And here's another important question: If a fire shuts your business down for three months, how will you continue paying employees, your mortgage, utilities and other operating expenses? Business income and extra expense coverage can mean the difference between surviving a disaster and permanently closing your doors.

2. GENERAL LIABILITY INSURANCE

General liability insurance is designed to protect your business when someone claims you've caused bodily injury or property damage. But not every liability claim is automatically covered.

For propane marketers, it's important to understand where your coverage begins and where exclusions may exist. Does your policy include products and completed operations coverage? How are claims involving propane installations or service work handled? What happens if a customer's property is damaged during a delivery or service call?

Just as important, do you know the limits of your liability policy? A $1 million limit may sound like a lot until you're facing a catastrophic explosion or serious injury claim. That's why many propane companies will purchase umbrella liability insurance to provide an additional layer of protection above their primary policies.

3. BUSINESS AUTO INSURANCE

Most propane companies own vehicles, but surprisingly few owners understand exactly what their commercial auto policy covers.

Does your policy insure only vehicles titled to the business, or are the employee-owned vehicles used for company business also covered? What happens if an employee runs an errand in a personal pickup while conducting company business? Do you have hired and nonowned auto coverage?

If one of your bobtail drivers is involved in a serious accident, do you know whether your liability limits are adequate? Are permanently mounted tools and equipment covered if they're damaged in an accident? If a truck is out of service for weeks following a collision, how will that affect your operation?

These aren't questions you should be asking after an accident. They're questions you should be discussing with your insurance agent long before a claim ever occurs.

The best insurance agents don't simply provide quotes — they provide understanding. They explain why certain coverages matter, point out potential gaps and help business owners make informed decisions based on their specific operation rather than simply choosing the lowest premium.

Price will always be important. But when a major claim occurs, the cheapest policy quickly becomes the most expensive if it doesn't provide the protection you thought you had purchased.

At the end of the day, the goal isn't just to buy insurance — it's to understand it. Because when something goes wrong, confidence doesn't come from the premium you paid. It comes from knowing your business was properly protected before the unexpected happened.

Frank Thompson is a chartered property and casualty underwriter based in Phoenix, Arizona. He is the owner of PT Risk Management, an independent insurance company specializing in writing propane and petroleum risk policies throughout the United States. Visit ptrisk.com.

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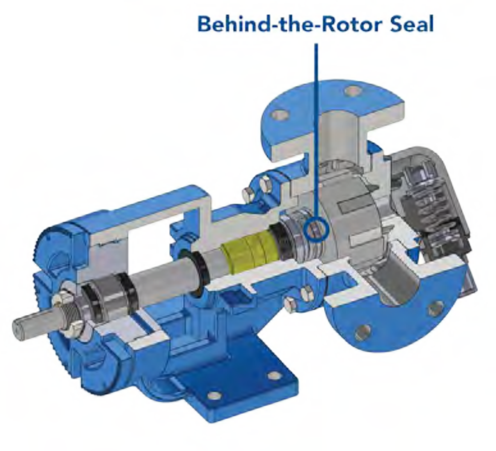

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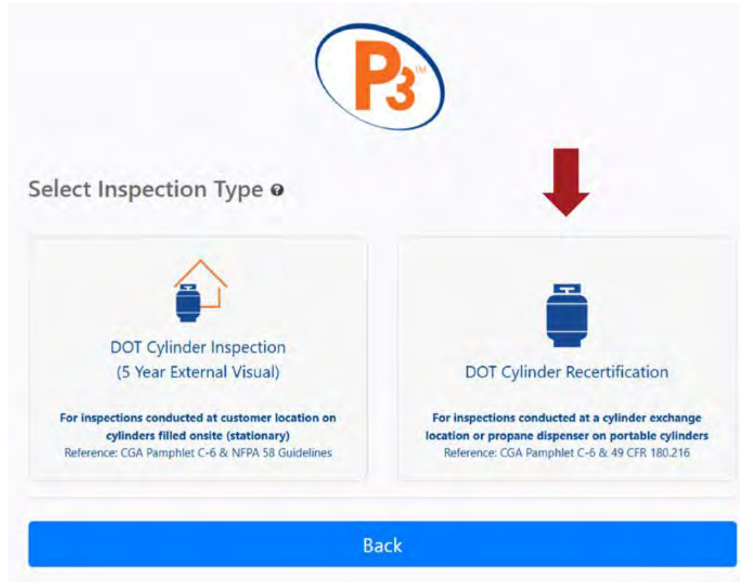

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Describe your current role at your company. I oversee Ferrellgas bulk propane operations, covering 36 service center locations nationwide and leading approximately 3,000 employee-owners. My role is to grow our business, ensure we operate safely and meet our customers' expectations with every delivery.

How did you get your start in propane? Coming out of college at the University of California, Davis, I applied for a manager-trainee program at Ferrellgas. I was intrigued by the opportunity to run a business and lead people. It was a great experience where I learned Ferrellgas from the ground up, from setting tanks and digging ditches to driving a bobtail and managing [profit and loss]. Six months in, I was promoted to district manager in Eugene, Oregon. It was a great introduction to the propane industry and 29 years later, I am still here.

How do you balance your role with your commitments to industry associations? Association work matters to our industry, and it matters to me — that's why I've prioritized it throughout my career. I've served on the board of the Western Propane Gas Association since 2004 and the Nevada Propane Dealers Association since 2016. I have been attending National Propane Gas Association (NPGA) board of directors' meetings for the past five years and spent the last year on the executive committee. I recently decided to take this commitment to the next level and joined the NPGA officers as treasurer. The time commitment is real, but shaping where this industry goes is worth the investment.

What are some of your hobbies outside of work? When my calendar frees up, I enjoy going to the gym, swimming, snow skiing and fly fishing, especially in Alaska. You may also catch me out on the golf course.

What do you think would surprise someone about the job you do? Most people would be surprised how much of my role comes down to coordination — keeping business priorities and what's actually happening in the field in sync. Operations, customer service, sales and marketing all sit within my purview, which keeps me close to both our customers and our employee-owners. That reach only works because of the talent and dedication of the field and corporate leaders running our teams every day. And because Ferrellgas is employee-owned, every decision runs through one extra filter: how it affects the people who own this company. That's what shapes how I think about safety, growth and our future.

What's something you would change in the industry? The stakes have never been higher for our industry at the state level. That's why I believe regionalization of our state gas associations is worth pursuing. The Propane Gas Association of New England set the standard for how smaller states can benefit from banding together, and the Southeast Propane Alliance is proving the model again. With numerous states targeting the fossil fuel industry, larger, more focused regional associations would give us the flexibility and financial weight to organize more effectively and defeat harmful legislation.

What's your favorite part of the workday? The early evening, once the phone finally goes quiet. That's when I get a few uninterrupted hours to process the day's conversations and work through solutions. That's when the best ideas tend to surface.

What childhood lessons still influence your actions today? My dad was a production manager for most of his career, and his dedication to safety and accountability were strong influences throughout my childhood. He used to tell my brother and me, 'Boys, use common sense, reason and judgment.' What he meant by that was think before you act and consider the ramifications of making a poor decision. That simple motto has stuck with me, and I try to use it daily with my team. Athletics taught me the rest. Competing — and losing, more than once — taught me more about resilience and how to work with people than almost anything else in my career. I still draw on that.

What's the last thing you read? 'Leadership Is Tough,' written by Mary Kelly and Peter Stark. It's a clear-eyed look at the pressures every leader faces — difficult conversations, managing stress and the reality that leadership rarely gets easier with seniority.

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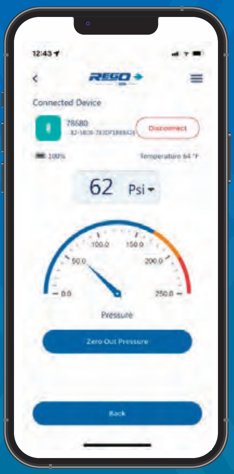

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