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Newsletter Spring/Summer 2014

WHAT HAPPENED TO PROPANE THIS WINTER?

Propane supply shortages and high propane prices this winter created a nightmare for both propane retailers and propane customers. There were several factors that created unusually high demand for propane and put upward pressure on price.

RECORD COLD – Demand for heating fuel was 10% higher than it was in 2012-2013 winter season and 15% higher than it was in the winter of 2011-2012.

UNUSUALLY WET HARVEST SEASON – After a record grain harvest in the fall of 2013, farmers used a lot of propane to dry the crop – 5 times as much as they used in 2012. Extraordinary demand for propane on the farm reduced propane inventories in the Midwest, just as the heating season got under way.

Our customer area did not use much dryer gas; however Northern Iowa and our neighboring Northern States used propane from our market area to dry their corn.

FEWER TRANSPORTATION OPTIONS – A major propane delivery pipeline was closed for maintenance most of December. Fewer railcars are carrying propane because of increased demand to carry other fuels. The capacity of our nation's existing transportation infrastructure (pipelines, rail and transports) has been strained by demand. Our company actually had to haul gas from as far away as Texas in order to insure supply.

HIGH WHOLESALE PRICES – High demand for propane and rising transportation costs have caused the wholesale price of propane to go up. Your propane provider is forced to pay a higher price for the fuel delivered to your home.

Portions of this article were provided by the NPGA (National Propane Gas Association) & Propane Education and Research Council

BUDGETS help manage increasing costs by spreading your payments over 12 months!

The budget program sign up officially ends May 31, 2014 with the first payment due on June 15, 2014.

If you are not a budget customer and would like to be, call our office to be added to our reminder list.



CONTRACTS & SUMMER FILL PRICING AVAILABLE SOON!

Propane contracts, summer fills (or budgets) are a good way to protect you against high winter prices. Call the office to get the current information!

Summer Fill program is good for 300 gallons or more for delivery in July or August 2014 only.



CYLINDERS & CAMPERS CAN BE FILLED AT OUR LOCATION IN LETTUS!

We are open Monday – Friday 7:30 – 4:00 pm. Stop in anytime during those hours to get your cylinders and campers filled (even during the lunch hour). Can't make it to us during those hours? Call the office and we will work with you to allow drop off and pick up after hours.

Dust Control helps tame gravel roads!

We have found that applying dust control each year for several years builds a better base so it's important to never miss a year of dust control! We apply environmentally safe, economical, natural tree sap. We apply two applications. Our first round of dust control will be applied in May and the second application in August (both dates depending on when the counties release the roads). If you would like dust control contact our office immediately to allow time to get the county permits completed and approved.

BEFORE DUST CONTROL



AFTER DUST CONTROL



CALL OUT COSTS ON THE RISE!

There are some things you can do to reduce your after-hours costs!

Pay your tank rent on time. If you have not paid your tank rent and a problem arises with your tank and you lose gas, Blue Flame is not responsible and you will be charged after-hours costs plus the cost of gas and a leak test.

If you own your own tank and you would like us to look at a problem we'd be happy to provide that service. However, you will be charged an hourly rate plus parts for our service. Call during office hours in order to avoid after-hours fees.

Make sure you are out of gas before you call us.

Even if you are a keep full you should check your tank before you call us assuming you are out of gas. We get called many times when customers think they are out of propane however they actually have a furnace problem. Unfortunately we do have to charge for call outs that are non-gas related at an hourly rate from the time we leave our plant to the time we return to our plant (for after- hours calls) plus our after-hours service fee. If you call during office hours (the cut off time to be considered an office call is 3:15 pm Monday – Friday), then you are charged a minimum one hour service fee if we are in your area on that day. If we make a special trip then you are charged the special trip fee in addition to the hourly fee.

See Supplement – Propane 101 regarding how to read your gauges.

DID YOU KNOW THAT OUR AG DIVISIONS OFFER LAWN FERTILIZER & SEED?

Close to Lettus, IA? Call O'Toole Inc. 319-726-3891 or stop in at our location and speak to an O'Toole Inc. representative. We work out of the same offices.

Closer to Nichols? Call Nichols Agriservice at 319-723-4221 or stop in.

Closer to Muscatine? Call Sweetland AgTech 563-263-2373 or stop in.



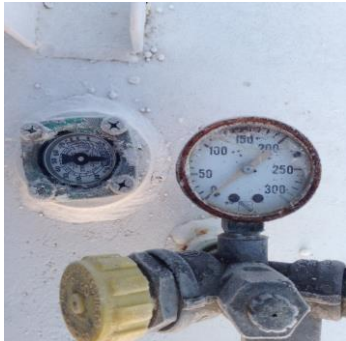
**SPRING SUMMER 2014
NEWSLETTER SUPPLEMENT
PROPANE 101**

**DO YOU KNOW HOW TO READ YOUR
PROPANE GAUGES?**

Be sure you are looking at the correct gauge. Some of the tanks have fill gauges and pressure gauges. In the picture below the gauge on the left is the fill gauge and the one on the right is the pressure. Notice the pressure gauge goes to 300 and the fill gauge only goes to 95.

This is confusing as sometimes people read the pressure gauge and think that is the amount of propane they have in their tank. Remember the gauges fluctuate with temperature changes (*See the Pressure Fill & Temperature Fluctuations Article*).

FILL GAUGE & PRESSURE GAUGE



GAUGE FOR AN EMPTY TANK



GAUGE FOR A TANK WITH 30%



Pressure & Fill Temperature Fluctuations

Liquid propane volume is affected by significant temperature changes. The following example assumes a 250 gallon propane tank has 100 gallons of propane at 60 degrees Fahrenheit (which is universally recognized as the base reference for liquid propane volume correction).

- **The float gauge will read 40%**
- **100 gallons of propane weighs 424 pounds (4.24 lbs. per gallon)**

If there is a significant temperature drop (over 20 degrees F) the gauge will indicate there is less propane in the tank. Assuming the gauge dial sits between 35% and 40% following the temperature drop, there are still 424 pounds of propane in the tank. Although the propane volume has decreased, the amount of propane has not decreased. It has simply become more compact (dense). The amount of usable energy has not decreased. If the temperature were to rise by the same amount, the gauge would indicate a higher volume of propane but there would still be 424 pounds of propane in the tank.

Simply put as the temperature drops the propane becomes more compact or dense and as the

temperature raises the propane becomes less dense and expands.

Propane users can become quite confused during periods of cold weather following a propane delivery because their gauge may read less than when they expect it to read.

In contrast the customer's gauge may read more than what they expect it read in the summer months.

Propane delivery trucks have meters that measure the amount of propane pumped into the customer tanks. These meters include volume correct devices know as automatic temperature compensators. The temperature compensator takes into account the temperature of propane running through the meter and automatically adjusts to correctly deliver the amount of propane the customer ordered. By law these devices are required to be calibrated and are adjusted based on the temperature of the liquid at the time of calibration.

When a delivery of propane is made to your home or business, know the amount you paid for is the amount you are actually getting regardless of the temperature.

*Portions of this article was taken from the website:
propane101.com*

PROPANE SAFETY RELIEF VALVE

The safety relief valve is one of the most important and vital valves on any LP Gas container. All propane tanks and cylinders are required by law to be fitted with pressure relief devices designed to relieve excess pressure. The function of a safety relief valve is to keep a propane tank from rupturing in the unlikely event of excessive pressure buildup. Propane tank relief valves are also known as pop off valves, pressure venting valves or relief valves.

Sometimes during the summer months especially if your tank sits in direct sunlight the relief valve on

your tank may "pop off". Even though this is alarming it does protect your tank. If this happens, please contact our office as we will need to check your tank and schedule a time (when the tank is empty) to replace your valve.

FACT: WE ONLY FILL YOUR TANK TO 80% OR LESS TO ALLOW FOR TEMPERATURE (PRESSURE FLUCTUATIONS!)

Carbon Monoxide Detectors

It is a good idea to have Carbon Monoxide detectors in your home. CO is a colorless, tasteless and odorless compound produced by incomplete combustion of carbon containing materials. It is often referred to as the "silent killer" because it is virtually undetectable without using detection technology and most do not realize they are being poisoned. Elevated levels of CO can be dangerous to humans depending on the amount present and length of exposure. CO detectors are designed to measure CO levels over time and sound an alarm before dangerous levels of CO accumulate in an environment, giving people adequate warning to safely ventilate the area or evacuate.

What do you do if your Carbon Monoxide Detector goes off? CALL 911!

Our Service personnel do not have the equipment to detect Carbon Monoxide and it is not safe for them to enter your property if Carbon Monoxide is detected or suspected. Therefore it is essential you quickly exit the premises and call 911 immediately!

