



319-726-3103

Newsletter Spring/Summer 2013



## **REMEMBER...WE FILL CYLINDERS & CAMPERS AT LETTS!**

Remember we do fill cylinders year round and we can easily fill your campers with our new layout there is no tight fits or backing up!

## **Get on our Contact List for Budgets & Contracts**

The **Budget Program** allows you to lock in the price of propane for the year. You make 12 even payments by the 15<sup>th</sup> of each month.

This program starts in June each year.

We also offer **Contract Pricing**. We personally call you to inform you about contract pricing during the summer months. We offer either 25 cent down per gallon or 100% down programs. Call today to be added to either list.

## **Blue Flame will have a website in May!!!**

**Watch for information on your statements regarding our new website which should be completed by the end of May! Sign up (by providing your email address) once our website is ready and receive blog information regarding products and services.**

**[www.blueflamepropanellc.com](http://www.blueflamepropanellc.com)**

## **Insurance Companies are pressuring customers to keep REGULATORS**

### **Up to Date!!!**

Blue Flame Propane renewed our company insurance this year we found out that insurance companies are concerned about customers with regulators that are more than 15 years old. In fact, some insurance companies will no longer cover us if we allow customers to keep regulators longer than 15 years.

Therefore, we are again offering our regulator replacement program this year. Get your outdated regulators replaced this summer and split your costs into 4 equal monthly payments (watch for sign up information coming soon in the mail).



FIRST-STAGE REGULATOR



SECOND-STAGE REGULATOR

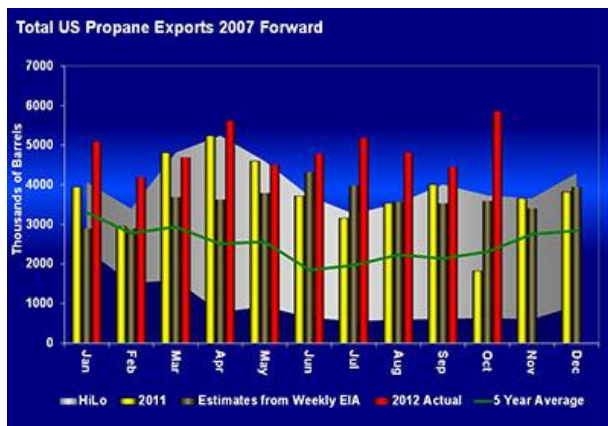
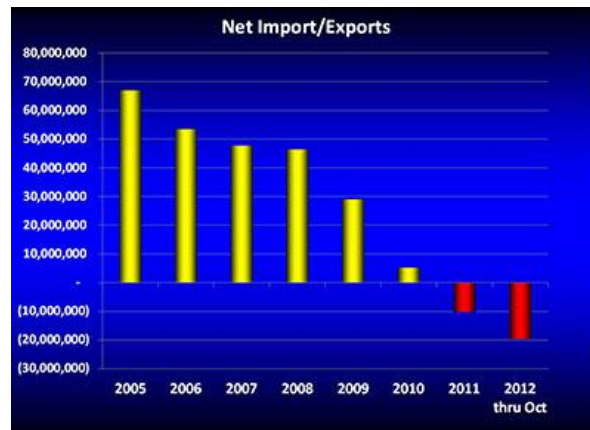


## **Don't forget to sign up for Dust Control!**

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; one in May as soon as the counties release the roads and one in August. Don't forget to sign up for dust control this year! Watch for sign up information coming soon in the mail.

## PROPANE EXPORTS WILL CONTINUE TO AFFECT U.S. PRICING

U.S. propane inventories remain high. As a result, companies have been looking to take advantage of the wide value gap between cheaper U.S. propane and much higher global propane prices. The result is a dramatic increase in propane exports (see chart below). It also means we will continue to see higher propane prices in the U.S. as our inventory is depleted because the marketers can sell exports at a premium price.



The red bars showing the monthly exports for this year have been setting new five-year-high marks most months. Exports in October surged to new heights at 5.854 million barrels. At the same time, U.S. imports have been dramatically reduced. Imports into the U.S. Gulf Coast are now the way of the dinosaur, and imports into the Midwest and East Coast are reduced.

**The U.S. became a net exporter in 2011, and 2012 net exports were greater than the previous year through October.**

Beginning in February, the U.S. has more export capability with the completion of an Enterprise project on the Gulf Coast. Targa is also working on an expansion of its Gulf Coast export facility. There are projects being developed on the East Coast, as well. Don't look for a change in this trend anytime soon.

As a result, the net import/export (imports minus exports) picture has dramatically changed since 2005 (see chart in next column).

It will be interesting to see what impact crude projects designed to take oil from north to south will have on propane exports. The assumption is that these projects will raise U.S. crude prices closer to the global price. Right now, U.S. crude is about \$16 below the world market, which helps create the market for propane exports.

No matter what happens with crude, propane is oversupplied in the U.S., so the assumption is that exports will continue and that will continue to keep our U.S. pricing high. In addition, it will continue to make determining when to buy difficult as typical (historical) pricing trends no longer apply.

*(Article taken from Propane Resources Monthly Letter, November 2012)*



**GIVE US YOUR THOUGHTS!**

**Our goal is to continually improve how we serve our customers. Therefore, we would love to have your suggestions and thoughts!**

**Call us at 319-726-3103 or**

**email us any time at**

[kellytoole@blueflamepropanellc.com](mailto:kellytoole@blueflamepropanellc.com)