

National **PROPANE GAS** Association

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November 25, 2008

MEMORANDUM

TO: Ms. Kelley Coyner, DOT Transition Team
FR: Philip A. Squair, Senior Vice President
RE: Transition Priority Issues for America's Propane Industry

The National Propane Gas Association is the national trade association of the LP-gas (principally propane) industry with a membership of over 3,200 companies, including 39 affiliated state and regional associations representing members in all 50 states. Although retail marketers are our single, largest group of NPGA member of propane gas, the membership includes propane producers, transporters and wholesalers, as well as manufacturers and distributors of associated equipment, containers and appliances.

Hours of Service. DOT finalized the HOS regulations on November 19, 2008, which will provide much-needed clarity for regulated companies and drivers in the propane industry. During challenging winter weather conditions or when there are fuel distribution concerns or impediments, the propane industry seeks exemptions from these regulations. NPGA is pleased with the willingness of federal and state officials to support these requests in most cases, and maintains on its website (www.npga.org) a real-time clearinghouse of information on the status and duration of these exemptions. Finally, NPGA notes that a special provision exempting propane drivers from the HOS rules in certain emergency situations has been adopted.

Bobtail Requalification. DOT requires propane delivery vehicles to be pressure tested every 5 years as a condition of remaining in service (49 CFR 180.407). The pressure test is typically a hydrostatic test with water as the test medium. NPGA plans to propose to DOT in 2009 a revision to extend the requirement from 5 years to 10 years for cargo tank motor vehicles re-qualified using the hydrostatic test method. The research data will show that the extension to a 10-year cycle maintains an equivalent level of safety with the current requirements.

Jurisdictional Pipeline Systems – PHMSA recently proposed to require Distribution Integrity Management Plans (DIMP) for jurisdictional propane pipeline operators, among others. Jurisdictional propane pipelines serve 10 customers or more from a single source of supply, or >2 customers when a portion of the system is in a public place (49 CFR Part 192.1). The imposition of the DIMP regime is expected to cause jurisdictional systems to be broken up, which will reduce safety by artificially increasing the number of transfer operations. NPGA urges DOT to exempt propane jurisdictional pipeline systems from the DIMP regulations.

Thank you for your review of these issues.