



SUPPLY PREPARATION

1. DEMAND

- What are my past gallon sales by month and by customer type?
- What are the short- and long-term weather forecasts?
- What are the crop harvest conditions?
- What are the livestock needs?

2. SUPPLY

- Where does my supplier source propane? Pipeline, rail terminal, storage cavern, etc.
- How much of my supply comes from shale production?
- What are my options if local production decreases?
- What is the winter-to-summer ratio provided by my supplier?
- What alternatives or back-up does my supplier offer?
- Does my supplier assist with transportation?
- Does my supplier use a rationing system if supply decreases? How does it apply to me?

3. LOGISTICS

- What is my logistical flexibility 30 days out?
- If I need extra propane, where can I get it?
- What extra transportation needs (personnel, equipment, etc.) do I have access to?
- What are the capabilities (personnel, equipment, etc.) of my transportation suppliers?

4. STORAGE

- Can I lease or sublease primary storage (underground salt domes, caverns, etc.)? Does primary storage have transport or rail car loading capabilities?
- How much plant storage do I have?
- How frequently do I turnover storage? Small marketers average 10 turnovers, medium marketers average 18 turnovers, and large marketers average nearly 16 turnovers.

5. CUSTOMERS

- How many of my customers are contracted versus will call?
- What is the average tank size of my customers?
- Do my customers use pre-pay or metered programs?
- Do my customers use promotional pre-season fill rates?
- Should I encourage my customers to enter demand season with full tanks?
- How do I schedule contract and will call delivery routes?

NATIONAL PROPANE GAS ASSOCIATION

1899 L Street NW, Suite 350 | Washington, D.C. 20036
202.466.7200 | www.npga.org