

SENATE RESOLUTION NO. 1168

WHEREAS, liquefied petroleum gas, or propane, is a vital source of energy for many citizens in the state of Missouri; and

WHEREAS, propane is commonly used for heating homes, cooking, refrigeration, and transportation; and

WHEREAS, citizens in the state of Missouri are dependent on propane as an energy source, especially during the winter season; and

WHEREAS, the 1,900 mile, 70,000 barrels of propane per day Cochin pipeline from Alberta, Canada was closed for a large portion of December; and

WHEREAS, 189,000 barrels of propane per day were exported from the United States in October 2012, while 408,000 barrels of propane per day were exported in October 2013; and

WHEREAS, current inventories of propane can supply only 24 days of consumer demand, compared with 42 days a year ago; and

WHEREAS, there are two primary storage facilities for propane in the Midwest located respectively in Mont Belvieu, Texas and Conway, Kansas; and

WHEREAS, while Mont Belvieu, Texas, is home to the largest storage facility for propane, Conway, Kansas, is also a pricing hub; and

WHEREAS, propane located at the storage facility in Conway, Kansas traded as high as \$2.15 per gallon in the third week of January 2014, while propane located at the storage facility in Mont Belvieu, Texas traded at \$1.48 per gallon; and

WHEREAS, a gallon of residential propane in the Midwest cost \$2.433 during the third week of January 2014, while costing \$1.715 a year earlier; and

WHEREAS, the closure of the Cochin pipeline, the increased amount of exports, the drastic increase in price, and the difference in price among propane storage facilities has resulted in the inaccessibility of propane to the citizens of Missouri:

NOW THEREFORE BE IT RESOLVED that the members of the Missouri Senate, Ninety-seventh General Assembly, Second Regular Session, hereby strongly urge the United States Department of Justice to investigate the price increase of propane, the price disparity of propane among storage facilities, and the supply shortage of propane available to consumers; and

BE IT FURTHER RESOLVED that the Secretary of the Missouri Senate be instructed to prepare properly inscribed copies of this resolution for the Attorney General of the United States, each member of the Missouri Congressional delegation, and Governor Jay Nixon.