



Canadian
Propane
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canadienne
du propane

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November 28, 2019

The Honourable Scott Moe
Premier of Saskatchewan
226 Legislative Building
Regina, Saskatchewan S4S 0B3

Dear Premier Moe,

On behalf of the Canadian Propane Association (CPA), I wish to thank you in your capacity as Chair of the Council of the Federation, and your fellow premiers, for your support of the propane industry during the CN strike and the recognition of the importance of propane in the lives of Canadians.

The contribution of Canada's premiers to the work stoppage debate was critical to ensuring that the resumption of rail transportation of propane was top of mind for those at the negotiating table. And we are thankful for the patience and understanding of our customers, particularly the agriculture groups, who realized that the logistical challenge was not of our making.

As you know, the CPA welcomed the end of the CN rail strike. However, the industry will continue to feel the impact of the strike for several more weeks.

We seek your continued support considering that the propane industry is now facing logistical challenges of getting the supply chain back to normal. The CPA will be working with CN to ensure that the replenishing of propane is a priority in the aftermath of the strike.

From our perspective, this crisis will continue in the coming weeks and could be exacerbated by our current lack of inventory in a period where winter demand is high and shorter trains are expected. We want to stress the importance of ensuring that CN provides:

- * Priority support to replenish supply in Ontario, Québec and Atlantic Canada
- * The return of empty propane rails cars to terminals to pick up products
- * Rails cars to be moved to transloading facilities quickly to ensure local deliveries

As you know, other fuels are not experiencing the same challenges as the propane industry and in this context, it would be helpful to have a clear united voice supporting the replenishment of propane for Ontario, Québec and Atlantic Canada.

It is important to note that the supply of propane in Canada was never the issue. There is plenty of propane available. However, we do believe that we will need to discuss, going forward, ways to ensure that Canadian consumers of propane are not left without alternatives due to rail labour unrest.

Canadians have a great deal of confidence in propane as a safe, affordable, abundant and clean energy source.

I hope you will pass along our sincere thanks to the premiers when you meet in Toronto on December 2. The CPA looks forward to working with Canada's premiers, the federal government, the railways and our stakeholder groups to ensure that the challenges that presented themselves as a result of the CN strike are not repeated in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dan Kelly', with a stylized flourish at the end.

Dan Kelly, CPA CGA.
Chief Financial Officer, Dowler-Karn Limited
Chair of the Board, Canadian Propane Association