Governor Scott Walker Announces Opening of New Propane Terminal in Wisconsin

Hixton – Today, Governor Scott Walker announced the opening of a new propane terminal in Hixton. Built by CHS, this new terminal has the ability to store 360,000 gallons of propane, offload six railcars every four and a half hours, and load six trucks per hour in the terminal’s two truck loading bays. The terminal also features modern terminal automation and safety technologies.

“Industry representatives and state officials have been working diligently on ways to improve the supply chain and bring more propane into the state,” said Governor Walker. “This new CHS propane terminal builds upon Wisconsin’s propane infrastructure and will be major asset in our efforts to help ensure a safe, reliable propane supply for our citizens.”

CHS is an energy, grains, and foods company and the nation’s leading farmer-owned cooperative. CHS signed a long-term agreement with Federation Cooperative in Black River Falls to build the terminal at 144 Depot Street South in Hixton. Federation Cooperative will manage and operate the propane terminal.

Earlier this year, the Cochin pipeline, owned by Kinder Morgan, Inc., was repurposed to become an export pipeline to ship natural gas condensates to Canada, resulting in a loss of propane supply into the Upper Midwest of about 300 million gallons annually. The Hixton terminal is a part of a $24 million CHS investment in four states, and is expected to bring approximately 15 million gallons of new supply into Wisconsin annually to help offset the loss of supply that would otherwise have come from the Cochin pipeline.

The Department of Administration’s State Energy Office reports that about 50 percent more propane came into Wisconsin in the months of June, July, and August 2014. This indicates that consumers are responding to summer-fill programs, and many propane marketers around the state report more customers purchased propane during the summer than ever in the past.

The National Weather Service has forecasted normal to slightly warmer temperatures for this coming winter for the upper Midwest, but the corn crop harvest in Wisconsin is later than average. If dry conditions hold, that will mitigate the amount of propane needed for crop drying in the next few weeks. However, the size of the Wisconsin and Midwest corn crop will be very large and significant amounts of propane may be required to dry the crop.

Governor Walker serves as Chair of the Midwestern Governors Association, and the propane supply to the Midwest has been the Governor’s primary initiative.

# # #