

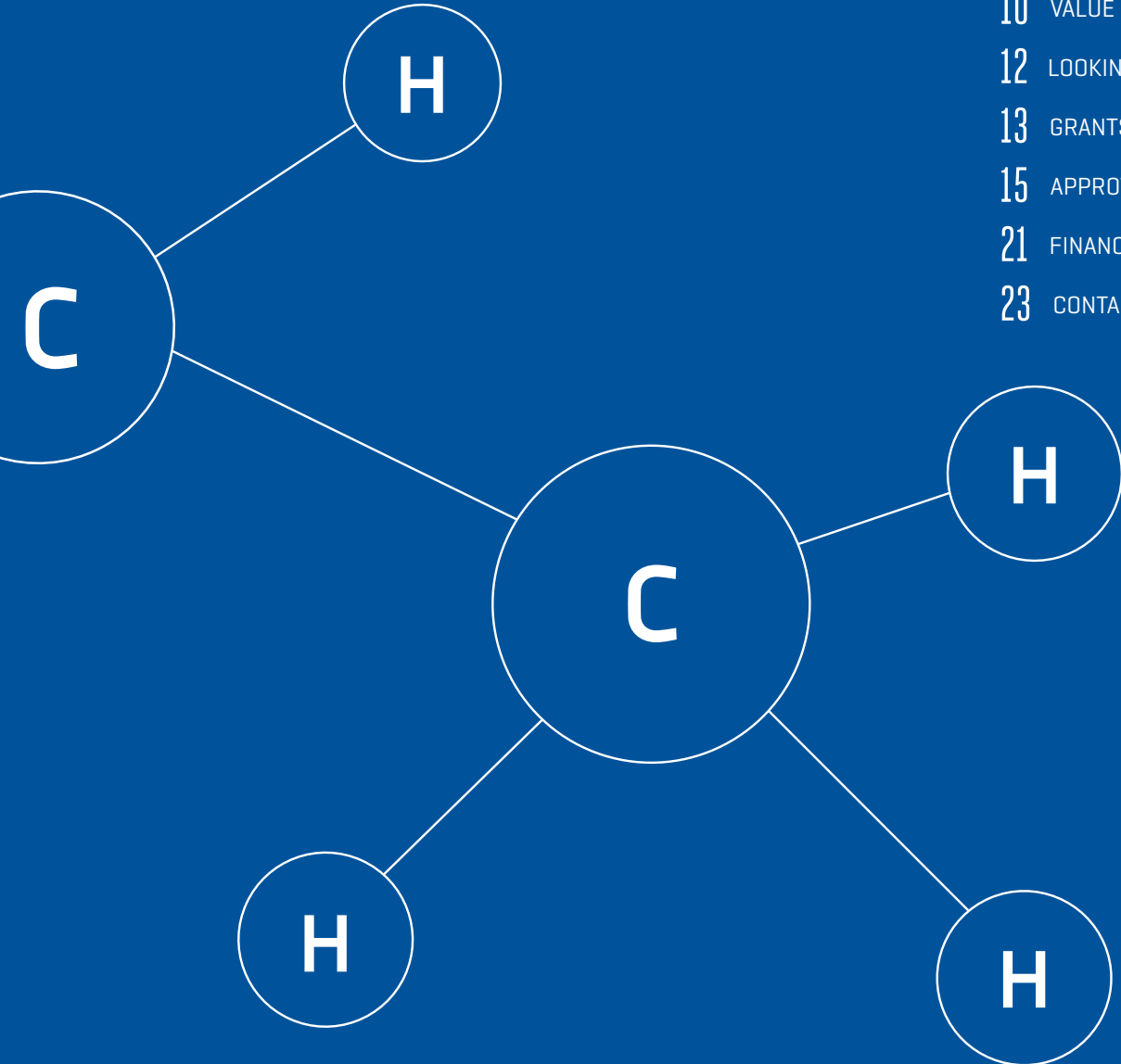
PROPANE EDUCATION & RESEARCH COUNCIL

2012 ANNUAL REPORT



TABLE *of* CONTENTS

- 3 LETTER FROM THE CHAIRMAN AND THE PRESIDENT
- 5 COUNCIL OFFICERS & MEMBERS
- 6 PERC STAFF
- 7 RESEARCH & DEVELOPMENT
- 8 SAFETY
- 9 TRAINING
- 10 VALUE
- 12 LOOKING AHEAD
- 13 GRANTS
- 15 APPROVED REBATES
- 21 FINANCIAL STATEMENTS
- 23 CONTACT



LETTER FROM THE CHAIRMAN & THE PRESIDENT

THE SAYING GOES THAT YOU CAN TELL PEOPLE'S CHARACTER BY THE COMPANY THEY KEEP. IN 2012, THE PROPANE INDUSTRY, AND THE PROPANE EDUCATION & RESEARCH COUNCIL, ROSE IN CHARACTER AS IT STRENGTHENED ITS RELATIONSHIPS WITH SOME OF THE WORLD'S MOST RESPECTED MANUFACTURERS.

In engines, PERC has forged ties with Kawasaki, Buck's, and Origin. In school buses, we're working with Blue Bird, Collins Bus, and Thomas Built. And major bus distributors like First Student are marketing these autogas-fueled buses to their North American clients.

In propane autogas, our relationship with Roush CleanTech has expanded our ties with Ford, and our work with CleanFuel USA builds bridges with General Motors.

In the residential market, Kohler, Generac, Marathon Engine Systems, Rinnai, and Yanmar America are producing propane-fueled products.

In landscape contracting, the top commercial mower marketers including Toro, Husqvarna, and Exmark, and many others are delivering propane-fueled mowers.

Some of these partnerships are long-lived, many are due to recent investments in the research, development, and commercialization, of great products created to fulfill a need in the marketplace.

And on the customer side in 2012, retailers Sears and Menards, delivery firm DHL Express, and elevator giant ThyssenKrupp all announced investments in propane-fueled vehicles.

We saw Portland, Ore., Seattle, Omaha, Neb., and many other cities and towns and counties commit to propane-fueled school buses. And municipalities nationwide are turning to propane autogas for their police cruisers and other vehicles.

In Colorado, landscape contractor CoCal Landscape began running more than 80 of its mowers on propane, joining many other firms in this sector in the switch to propane.

These companies and cities are sold on propane's competitive strengths — price, efficiency, and power. They appreciate that propane offers cleaner emissions than engines fueled with gasoline or diesel. The fact that virtually all the propane consumed in the United States is made here helps seal the deal.

We're proud we've developed these relationships with these manufacturers, governments, and customers. They form a strong foundation to build on.

But we never forget that our most important relationship is with the customers who probably won't ever be on the Nightly Business Report. These folks use propane to heat their homes, dry their clothes, and cook their food. They have a tank in the backyard that's filled like clockwork by their neighbor driving a bobtail truck.

Keeping those customers satisfied will always be our industry's top priority.

We can't be complacent. The winter of 2012 proved that. It was rough for our industry. Sales volume remains linked to cold weather, and last year was the warmest on record for North America, according to the U.S. National Oceanic and Atmospheric Administration.

WE'RE PROUD WE'VE DEVELOPED THESE RELATIONSHIPS WITH THESE MANUFACTURERS, GOVERNMENTS, AND CUSTOMERS. THEY FORM A STRONG FOUNDATION TO BUILD ON.



LETTER FROM THE CHAIRMAN & THE PRESIDENT

Now, we know the cold will come roaring back, and our customers will be firing up their heaters. But these difficult sales years remind us that we must strive to develop and commercialize products that use propane, and expand its use beyond the winter months.

PERC has taken a proactive approach to this challenge. We revitalized our industry training program and re-launched it as the Marketer Technology and Sales Training program.

Just as its name says, this full-day program teaches both the technology of our industry along with sales techniques for selling these products.

That's a new concept for many of us. It recognizes that consumers are out shopping around for their energy source and that the propane industry must compete hard to win that business. We welcome that challenge because we have a price-competitive, powerful, clean fuel backed by an industry dedicated to delivering it.

We remain committed to being the best safety and training organization in our industry. We actively provide classroom training, though we also introduced six new CETP e-learning programs covering essentials like first 90-day hazmat training, bobtail delivery, and vapor distribution.

Last year also saw the release of proactive safety training programs Preventing Bobtail Rollovers, Propane Personal Safety, and Propane Autogas, which offer a mix of videos on DVD, PowerPoint presentations, booklets, and other materials. These programs offer marketers a level of convenience and low price that in-person classes can't always provide.

PERC's goal is to assist the propane industry as it grows the business. We work to efficiently deliver the best in research and development, training, marketing and safety programs.

THANK YOU FOR YOUR SUPPORT.



JOE ARMENTANO
Paraco Gas
Chairman

A handwritten signature in black ink that reads "Joseph Armentano".



ROY W. WILLIS
Propane Education & Research Council
President & CEO

A handwritten signature in black ink that reads "Roy Willis".

COUNCIL OFFICERS & MEMBERS

JOSEPH ARMENTANO

Chairman
Paraco Gas
Rye Brook, N.Y.

MICHAEL E. BARNES

BP Energy Co.
Houston, Texas

ROBERT BARRY

Bergquist Inc.
Toledo, Ohio

SHARON BEEMER

DGP Midstream
Houston, Texas

ERIC BENSON

Secretary
J.S. West & Co.
Modesto, Calif.

GREGG DIGHERO

EnCana Oil and Gas USA Inc.
Denver, Colo.

ROXANNE FOWLES

MarkWest Energy Partners LP
Friendswood, Texas

H. JOE GUMP

Vice Chair, Producers
ConocoPhillips
Dacula, Ga.

SAM HAWLEY

Enterprise Products Operating LLC
Houston, Texas

SAM MCTIER

Propane Technologies LLC
Lake Forest, Ill.

GERRY MISEL

Treasurer
Georgia Gas Distributors
Sandy Springs, Ga.

BILL PLATZ

Immediate Past Chairman
Delta Liquid Energy
Paso Robles, Calif.

DAVID REGAN

Targa Resources Inc.
Houston, Texas

DOUGLAS RINKE

Columbia, Mo.

T.J. RINKE

Williams Midstream
Tulsa, Okla.

RUSS RUPP

Suburban Propane Partners LP
Bonita Springs, Fla.

MICHAEL SHEEHAN

Sheehan's Gas Co.
Bird Island, Minn.

JOHN SIMCOX

Thompson Gas & Electric Service Inc.
Mechanicsburg, Pa.

THOMAS VAN BUREN

Ferrell North America
Overland Park, Kan.

JEFF WHITE

Aux Sable Liquid Products
Morris, Ill.

PAULA WILSON

Vice Chair, Marketers
AmeriGas
King of Prussia, Pa.

EXECUTIVE MANAGEMENT TEAM

ROY W. WILLIS

President and Chief Executive Officer

TUCKER PERKINS

Chief Business Development Officer

KAY HOWELL

Chief Information Officer

JAMES HARRIS

*Chief Financial Officer and Vice President
of Administration*

STAFF

INGRID BECHARD

Projects Manager

TAMEKA BIAS

IT Analyst

STUART FLATOW

Vice President, Safety and Training

COURTNEY GENDRON

Certified Employee Training Program Manager

RACHEL GREENBERG

Market Research Analyst

DAVID HARRIS

Web Architect

KRISTEN HEALEY

Projects Manager

PATRICK HYLAND

Director of Industry Programs

GIRA JOSHI

Program Analyst

JOHN L. KEREKES

Senior Contracts Manager and Counsel

GREGORY KERR

Director of Research and Development

MARK LEITMAN

Director of Business Development and Marketing

ANNA W. LOMBARDO

Meetings Manager

JESSE MARCUS

Projects Manager

ALAN MCEWAN

Director of Engine Technology

GINNA MOSELEY

Office Assistant

AISHA PARKER

Projects Manager

MARIA PASSARELLA

Executive Assistant

AMI V. PATEL

Graphic Designer

THERESA RYAN

*Office Manager/Executive Assistant to the
President and Chief Executive Officer*

BRIDGET SCANLON

Director of Residential and Commercial Programs

BURNEY SIMPSON

Editor-Writer

MICHAEL TAYLOR

Director of Autogas Business Development

JAHNISSI TIRADO

Administrative Assistant

AMBROSE WALKER

Database Manager

GREGG WALKER

Director of Communications

GRACE WILLIS

Process Manager

JEREMY WISHART

Projects Manager

RESEARCH & DEVELOPMENT

THE LONG-TERM PLAN TO COMMERCIALIZE MORE PRODUCTS THAT USE PROPANE CONTINUED APACE LAST YEAR, WITH MAJOR SUCCESSES IN VIRTUALLY ALL OUR MARKETS.

HERE ARE SOME OF THE MOST VISIBLE NEW PRODUCTS.

One goal of the Propane Education & Research Council is to encourage and assist original equipment manufacturers and others to develop and deliver high performance propane-fueled products.

School bus manufacturers are definitely on board with PERC.

Blue Bird Corp. is installing Ford 6.8-liter engines and the Roush CleanTech liquid propane system in its Type C 78-passenger Vision bus, and two models of its Micro Bird buses with seating for 30 and 24 passengers.

Collins Bus Corp. launched its Nexbus line of Type A midsize school buses with several autogas-fueled versions. Collins worked with CleanFuel USA and is using the GM Gas 6-liter chassis.

Thomas Built Buses introduced its Minotour and Saf-T-Liner C2 lines of autogas-fueled buses. The Minotour seats up to 30 and is powered by a GM 6.0-liter engine, while the C2 seats up to 81 and uses a liquid propane injection system from CleanFuel.

In the commercial mowing sector, PERC has worked with leading brands as they developed and marketed propane versions of their popular models. Original equipment manufacturers that are producing propane

mowers include Bob-Cat, Dixie Chopper, Exmark, Gravely, Kubota, Snapper Pro, Toro, and Zipper.

In the residential market, PERC's research and development investments paid off as Generac launched a second portable propane-fueled generator, the larger LP5500, to join its portable LP3250.

Last year PERC put a greater focus on irrigation engines in the agricultural sector, with both Origin Engines and Power Solutions Inc. (PSI) bringing out equipment. Origin's 8.0-liter and its 10.3-liter industrial engines are available as propane models. PSI notes that propane is produced domestically and clean burning, and that its low carbon and low oil contamination extend engine life.

The engineering and development phase of the Freightliner Custom Chassis Corp. S2G project is near completion and moving into commercialization and production. The S2G propane autogas chassis will initially feature bobtail and Type C (Thomas Built C2) school bus bodies. Full scale production is slated to begin this summer.

WE HAVE A NUMBER OF EXCITING PRODUCTS IN THE PIPELINE, AND WE'RE LOOKING AT OPPORTUNITIES IN INDUSTRIAL USES FOR PROPANE IN THE MARINE AND SHIPPING SECTORS. WE LOOK FORWARD TO GROWING OUR RESEARCH AND DEVELOPMENT EFFORTS.

PROPANE
EXCEPTIONAL ENERGY®



SAFETY

THE SAFE USE AND HANDLING OF PROPANE BY OUR CUSTOMERS AND THE INDUSTRY IS OUR TOP PRIORITY. THE PROPANE EDUCATION & RESEARCH COUNCIL COMMITTED IN 2012 TO EXPANDING OUR SAFETY TRAINING PROGRAMS, LITERATURE, AND OTHER MATERIALS.

Last year PERC released six CETP e-learning courses that included a new management tool for tracking employee training histories and allowed for the inclusion of company-specific policies. The courses included updates of Basic Principles & Practices, Bobtail Delivery, Propane Delivery Operations, and Propane Cylinder Delivery; two completely redesigned courses on propane vapor distribution; and an updated course on employee hazmat training.

We also delivered several comprehensive new programs that included DVDs, corresponding instructor PowerPoint presentations, quizzes, and more. These programs were Bobtail Rollover Prevention, Propane Autogas, Propane Personal Safety, and Mobile Crane Operators.

PERC continued its Industry Responders' Conference efforts, teaming with the Texas Propane Gas Association. This two-day event brought together about 100 marketers and firefighters to share ideas, and learn how to respond to a propane incident. It also covered the safety aspects of propane autogas vehicles.

We worked with state propane organizations in New England, New Jersey, and New York to respond to the devastation of Hurricane Sandy. Many residents there lost power and sought to use propane-fueled generators as an alternative. It was essential that consumers understood the fundamentals of turning off their previous source of power, and turning on and using a product using propane fuel.

PERC quickly put together radio announcements that reassured those affected, and suggested they visit PERC's

website where they could find timely safety information. PERC also donated \$25,000 to the New Jersey Propane Gas Association to assist in its response to Hurricane Sandy.

PERC also updated two tools that the industry uses to obtain its safety materials. The Propane Resource Catalog 2013 is a printed catalog of PERC literature, DVDs, and other material, most of it safety oriented. We also rolled out a remade Propane Marketer Resource Catalog, or Propane MaRC, the online source for safety, training, and market development materials.

The Propane Kids website remains popular with marketers who distribute the material by email, by standard mail, and at community events.

PERC aggressively works to create materials that help the industry, its workers, our customers, and the public enjoy the benefits of propane in a safe way.



PERC ALSO DONATED \$25,000 TO THE NEW JERSEY PROPANE GAS ASSOCIATION TO ASSIST IN ITS RESPONSE TO HURRICANE SANDY.

TRAINING IS VITAL TO THE WORK OF THE PROPANE EDUCATION & RESEARCH COUNCIL.

In 2012, the Marketer Technology and Sales Training program was remade, with full-day sessions devoted to technology and to sales training. PERC organizes these sessions with state propane organizations, marketers, and other interested parties.

The first half of each training day covers one of four markets served by propane — landscape, autogas, residential, or agricultural — with emphasis on how to support new consumer technology that has been developed for that market with PERC funding. The second half of the day focuses on sales of propane-fueled products to customers in that market, with hands-on interactive exercises that give marketers the opportunity to practice before meeting with a prospect.

The training recognizes that consumers, both homeowners and business owners, are shopping for the best energy source and that the propane industry must compete to win their business. Last year we released six employee e-learning courses that included a new management tool for tracking employee training histories and allowed for the inclusion of company-specific policies.

The courses included such fundamentals as bobtail delivery and an updated course on employee hazmat training.

Beyond training the propane workforce, PERC delivers training to emergency

responders, towing and recovery professionals, and hazmat professionals through the Propane Emergencies program.

Last year, PERC coordinated a two-day Industry Responders' Conference with the Texas Propane Gas Association. The popular conferences combine classroom training with live demonstrations at some of the best fire training facilities in the country.

PERC also trains the dealers of newly developed propane-fueled products. In the growing commercial mower market, for instance, PERC works with engine manufacturer Kawasaki to create a program for its mower mechanics. Plans called for the class to be held in more than 90 Kawasaki training sessions across the country. PERC assisted with the creation of a troubleshooting guide on working on fixing these engines.

That guide and all the training materials are available on the Propane MaRC, PERC's online information source.

PERC CREATED A NUMBER OF SELF-DIRECTED TRAINING COURSES IN RESPONSE TO INDUSTRY REQUESTS THAT STUDENTS BE ALLOWED TO TAKE THE COURSE WHEN IT BEST MET THEIR SCHEDULE.



THESE PROGRAMS — BOBTAIL ROLLOVER PREVENTION, PROPANE PERSONAL SAFETY, MOBILE CRANE OPERATORS, AND PROPANE AUTOGAS — OFFER VIDEOS ON DVDS, INSTRUCTOR POWERPOINT PRESENTATIONS, HANDOUTS, QUIZZES, AND MORE.

THE PROPANE EDUCATION & RESEARCH COUNCIL STRIVES TO BUILD THE MARKET FOR PROPANE, WHILE ENSURING ITS SAFE AND EFFICIENT USE BY CUSTOMERS AND THE INDUSTRY.

PERC operates two programs that distribute funds to state organizations so they can independently manage the programs to best meet their own needs.

The State Rebate Program pools the funds that come from the assessment levied on each gallon of propane gas at the point it is odorized or imported into the United States and, as required by law, returns a fifth of the assessment revenue to the states. Since April 1, 2010, the assessment rate has been four-tenths of a cent per gallon.

PERC also operates a Partnership with States program that provides additional matching funding to states to energize our collaborative efforts in safety, training, and research and development.

Last year states that took part in the partnership program could choose from eight programs — engine fuel road shows, on-road vehicle data collection, demonstration vehicle data collection, commercial mower data collection, external professional training, propane emergencies training, consumer safety messaging, and safe appliance installation rebates.

In 2012, PERC distributed nearly \$7.9 million to 228 programs in State Rebate funds and \$1.7 million in Partnership with States funds, for a total of \$9.6 million.

Under the leadership of PERC President and CEO Roy Willis, the Council launched the Sustainability Thought Leadership Campaign to promote PERC's safety, training, and research and development work and improve the positioning of propane as an alternative fuel to gasoline and diesel. Roy spoke with dozens of media outlets, penned his Energy Gumbo blog, contributed op-ed pieces for publication, and took part in conferences where sustainability leaders gather with corporate and government procurement

managers who are looking for equipment that runs on alternative fuel.

PERC also worked to build demand for propane in such markets as fleets and landscape contracting. We continue to compete hard in the residential market and are expanding our reach in commercial building development.

The use of propane autogas for fleets grew across the country, with school districts in Portland, Ore., Seattle, and Omaha, Neb., investing in hundreds of buses. Cab companies, and police and other county and municipal fleets bought propane autogas vehicles. Meanwhile, home improvement chain Menards installed the autogas fueling infrastructure in dozens of stores in Illinois and converted more than 100 of its work trucks to run on autogas.



IN 2012, PERC DISTRIBUTED NEARLY \$7.9 MILLION TO 228 PROGRAMS IN STATE REBATE FUNDS AND \$1.7 MILLION IN PARTNERSHIP WITH STATES FUNDS, FOR A TOTAL OF \$9.6 MILLION.

VALUE

FOR BUILDING CONTRACTORS AND RESIDENTIAL CONSUMERS PERC'S RESEARCH AND DEVELOPMENT INVESTMENTS PAID OFF WITH THE SALES GROWTH OF GENERAC'S PORTABLE LP3250 AND LP5500 PROPANE-FUELED GENERATORS.

These successes were widely reported by the mainstream and trade press, helping to open some more customer doors. Indeed, Work Truck magazine reported that its most widely read article in 2012 was *State of Propane Autogas in Light- & Medium-Duty Truck Fleets*.

In the commercial mower market, PERC laid the groundwork for much greater gallon sales.

About a dozen of the top original equipment manufacturers are producing propane-fueled mowers. PERC pushed sales by offering its Propane Mower Incentive Program, which reimburses a landscape contractor \$1,000 for purchasing a qualified new propane-fueled mower, or \$500 for a converted mower, in return for performance data. About 100 mowers were purchased using this incentive last year, and we've expanded it through 2013.

And PERC continued to promote its Propane Energy Pod model, an online tool that encourages construction professionals to build houses that save money and cut emissions by using propane for all five major energy applications.



SPACE HEATING



WATER HEATING



CLOTHES DRYING



COOKING



FIREPLACES

In the agricultural market, PERC offers the Propane Farm Incentive Program. Last year we stressed irrigation engines, offering a producer as much as \$4,120 toward the purchase of one of these engines, in return for feedback and performance data.

PERC has been growing its marketing and training support of this new technology as it grows.

We revitalized our market-development training for the propane industry and relaunched it as the Marketer Technology and Sales Training program. The full-day program helps marketers get familiar with newly developed propane-fueled products and introduces techniques that marketers can use to help promote the products to new and existing propane customers. The training covers four markets: commercial mowing, propane autogas, residential, and agricultural.

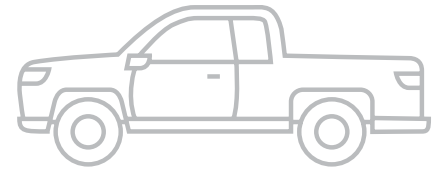
The Propane Marketer Resource Catalog, better known as the Propane MaRC, was remade, leading to a user-friendly website offering about 1,000 items that marketers can download or order. In less than three months, the new MaRC drew visits from marketers from all 50 states as traffic to the site grew nearly 90 percent. We also published a new edition of the Propane Resource Catalog, a printed list of PERC's products and services.

These efforts and others helped to grow gallons and brought value to the propane industry.



LOOKING AHEAD

LAST YEAR WAS A POSITIVE ONE FOR PROPANE-FUELED PRODUCTS, INCLUDING COMMERCIAL MOWERS, LIGHT-DUTY VEHICLES, AND GENERATORS, AND NEW MARKETS FOR PROPANE.



THIS YEAR CAN BE EVEN BETTER.

We are pleased to report that the engineering and development phase of the Freightliner Custom Chassis S2G project is moving into production. The S2G will be the platform for a bobtail and the Thomas Built C2 school bus.

Meanwhile, a slew of products geared to external markets will arrive in 2013. That includes the many commercial mowers that the major original equipment manufacturers are shipping to meet demand. And it covers the propane autogas buses from such marketers as Blue Bird, Collins Bus, and Thomas Built.

In generators, Generac is seeing heavy sales of its propane-fueled portable generators that consumers want as a backup energy source when a weather emergency or another event causes the power to go out.

Our Marketer Technology and Sales Training program is on the road working with marketers across the country, combining the best of new product training with practice sessions on sales techniques that help our industry support newly developed propane-fueled equipment.

The promotion of new products is an approach whose time has come. We can't afford to wait for customers to come to us. We must go to them with an impressive array of new products that serve their needs.

We've put much of our effort into remaking PERC into a research and development house, an incubator for great new products and ideas. One goal is to make that a permanent part of this organization.

We will continue our work with the National Propane Gas Association. Our goals mesh especially in the safety area, and we can better serve the industry by coordinating our efforts.

In the near term, we plan to launch a safety program that speaks to do-it-yourselfers, those customers that think they can repair or tinker with their propane equipment. Propane is a very safe fuel when used correctly. We need to convince the do-it-yourself community that only professionals should attempt to repair propane equipment.

We also plan to talk a lot about propane's role in the nation's energy mix. We intend to get this message out to decision makers and others through columns, interviews, stories, our websites, and social media.

That puts a lot on our plate. The last few years have been about remaking PERC to be a research and development organization that creates and expands the market sectors using propane. We can point to some successes. And we can look forward to many more.



2012 GRANTS

| MISSION AREA | DOCKET# | TITLE | PARTNER | FUNDING AMOUNT |
|-------------------|---------|--|---|-----------------------------|
| Agriculture | 17535 | Advanced Efficiency, High Capacity Tower Dryer | The GSI Group | \$400,000 |
| Agriculture | 18003 | CAT 3406 Demonstration and Video | California Clean Air Technologies, LLC | \$11,855 |
| Agriculture | 18126 | Propane-Fueled Tractor Proof of Concept Development | Fiat Industrial New Holland Agriculture/CNH | \$965,000 |
| Agriculture | 18274 | 2013 Agriculture Market Outreach | Swanson Russell | \$739,800 |
| All Markets | 17508 | Q1 2012 Communications Programs | — | \$1,470,363 |
| All Markets | 18063 | Interim Market Outreach Program for Second Quarter 2012 | Swanson Russell | \$648,848 |
| Engine Fuel | 16296 | Closed-Loop Electronic Fuel Injection (EFI) LP Engines | Kohler Co. | \$0 [Change Order] |
| Engine Fuel | 16723 | 8.0 L LPG Engine - Medium-Duty Truck & Bus | C F Networks LLC dba CleanFUEL USA Freightliner Custom Chassis Corporation Powertrain Integration | \$356,000 [Change Order] |
| Engine Fuel | 17439 | 2.0L & 2.4L Engine Fuel/Certification Development | Power Solutions, Inc. | \$154,000 |
| Engine Fuel | 17532 | Light Duty Autogas Vehicle Market Research | The Sales Network | \$44,125 |
| Engine Fuel | 17583 | Propane Engine Fuel Delivery Component Investigation | HiDesign Product Engineering LLC | \$140,000 |
| Engine Fuel | 17584 | Spark Ignition Direct Injection (SIDI) Engine Technology | GM Millbrook Livernois Vehicle Engineering Southwest Research Institute | \$552,500 |
| Engine Fuel | 17585 | Diesel / Propane Dual Fuel Evaluation | Southwest Research Institute | \$450,000 |
| Engine Fuel | 18022 | Commercial Mower Incentive Program | The Sales Network | \$900,000 |
| Engine Fuel | 18024 | Large Spark Ignited Engine Evaluation | Roush | \$200,000 |
| Engine Fuel | 18037 | CARB Certification Road Map 2012 | Dunlap Group | \$50,000 |
| Engine Fuel | 18165 | 3.7L V6 Dedicated Propane Autogas Ford Transit Fuel System | Roush | \$1,675,000 |
| Engine Fuel | 18179 | 6.0L Heavy Duty Liquid Propane Engine | Certification Services International | \$700,000 |
| Engine Fuel | 18199 | Propane Mower Incentive Program [2013] | Nexight Group LLC Swanson Russell | \$1,242,500 |
| Engine Fuel | 18272 | 2013 Propane Autogas Market Outreach | Swanson Russell The Sales Network | \$696,805 |
| Engine Fuel | 18273 | 2013 Off-Road Market Outreach | Swanson Russell The Sales Network | \$994,000 |
| Engine Fuel | 18289 | Life Cycle Cost Analysis of Propane and Electric Forklifts | ICF International | \$175,000 |
| Engine Fuel | 18336 | Club Car Alternative Fuel Study | Club Car, Inc. | \$99,000 |
| Industry Programs | 17127 | Propane Challenge | — | \$0 [Change Order] |
| Industry Programs | 17292 | 2011-2012 Partnership with States | — | \$67,850 [Change Order] |
| Industry Programs | 17453 | 2012 Partnership Agreement between PERC, GPA, and NPGA | — | \$48,500 [Change Order] |
| Industry Programs | 17453 | 2012 Partnership Agreement between PERC, GPA, and NPGA | Gas Processors Association National Propane Gas Association | \$1,271,000 |
| Industry Programs | 17454 | 2012 Propane Market Research Initiative | ICF International | \$424,580 |
| Industry Programs | 17542 | 2011 API Survey and Report | American Petroleum Institute (API) | \$190,066 |
| Industry Programs | 17577 | Propane MaRC Maintenance Support | BGT Partners | \$19,800 |
| Industry Programs | 18067 | 2012 Industry Communications | SmartBrief | \$290,000 |
| Industry Programs | 18112 | NPGA Benchmarking Council Alliance | National Propane Gas Association | \$50,000 |
| Industry Programs | 18131 | Marketer Technology & Sales Training | Sales Transformation Now | \$356,500 |
| Industry Programs | 18135 | 2012-2013 Partnership with States Program | — | \$2,700,000 |
| Industry Programs | 18135 | 2012-2013 Partnership with States Program | — | \$0 [Change Order] |
| Industry Programs | 18142 | 2012 Industry Outreach (Aug - Dec) | — | \$160,000 |
| Industry Programs | 18173 | Market Outreach and Communications Program for the Second Half of 2012 | Hanley Wood Swanson Russell | \$3,986,000 |

2012 GRANTS

| MISSION AREA | DOCKET | TITLE | PARTNER | FUNDING AMOUNT |
|--------------------------|--------------|---|---|---------------------------|
| Industry Programs | 18348 | Superstorm Sandy Recovery - New Jersey | New Jersey Propane Gas Association | \$25,000 |
| Operations | 17465 | 2012 Consolidated Advisory Committee and Program Support | | \$673,000 |
| Research & Development | 15938 | LPG Additive and Filter Effectiveness Studies | Donaldson Filter Southwest Research Institute | \$0 [Change Order] |
| Research & Development | 18056 | PERC - Yanmar Gas Heat Pump Market Study | Consulting Solutions, LLC Resource Dynamics Corporation YANMAR AMERICA CORPORATION | \$35,000 |
| Research & Development | 18160 | Performance and Durability Validation of Propane-Diesel Dual- Fuel Retrofit System[DFRS] | California Clean Air Technologies, LLC | \$80,000 |
| Research & Development | 18170 | A Different Approach to Providing Protection from Vehicle Impact-Phase 2 | International Code Consultants | \$106,600 |
| Research & Development | 18213 | Fuel Sampling and Troubleshooting Program | Southwest Research Institute | \$50,000 |
| Research & Development | 18282 | Propane Marine Market Study | ICF International | \$30,900 |
| Residential & Commercial | 17181 | Residential & Commercial Demonstration Program | ATomik Creative Solutions Hanley Wood Nexight Group LLC Swanson Russell | \$0 [Change Order] |
| Residential & Commercial | 17262 | Propane Power Washer | Generac Power Systems, Inc. | \$125,000 |
| Residential & Commercial | 17449 | YANMAR 5kW micro-CHP development and commercialization | Yanmar America Corporation | \$495,000 |
| Residential & Commercial | 18006 | Standard for Propane-Fired Portable Emergency Use Heaters | | \$5,000 |
| Residential & Commercial | 18217 | 2012 Alliance for Consumer Education Anti-Huffing Campaign | Alliance for Consumer Education | \$10,000 |
| Residential & Commercial | 18258 | Propane Light Tower Project | Generac Power Systems, Inc. | \$54,714 |
| Residential & Commercial | 18262 | Propane Total Solution Program with NPS & PERC | Consulting Solutions, LLC National Park Service Swanson Russell | \$465,925 |
| Residential & Commercial | 18275 | 2013 Residential and Commercial Market Outreach | ATomik Creative Solutions Hanley Wood ICF International JG Energy Solutions Newport Partners Swanson Russell | \$3,000,000 |
| Safety & Training | 17211 | Safety & Training Industry Outreach and Engagement | BGT Partners Rickards Consulting | \$0 [Change Order] |
| Safety & Training | 17509 | 2013 - 2014 Kawasaki Dealer Outreach & Training | Kawasaki Motors Corp., U.S.A. | \$243,500 |
| Safety & Training | 17520 | Propane Autogas Emergency Responder Training and Outreach Program | Logica 3 | \$101,452 |
| Safety & Training | 18004 | 2012 Propane Emergencies Activities | Strategic Communications | \$110,450 |
| Safety & Training | 18114 | CETP Update - Railcar and IM Tank [3.6 and 3.7] | Dashe & Thomson | \$244,918 |
| Safety & Training | 18167 | ROUSH CleanTech Propane Autogas Fuel System Technical Training Program | Roush | \$250,000 |
| Safety & Training | 18202 | Customer Owned Tank Safety & Maintenance Materials | Logica 3 | \$14,650 |
| Safety & Training | 18204 | CETP Autogas Dispenser Training Module | Dashe & Thomson | \$122,300 |
| Safety & Training | 18254 | Phase 1 CETP Update - Book 5.1: Liquid Distribution, Book 5.2: Designing and Maintaining Transfer System Operations, and Book 8.0: Large Industrial | Dashe & Thomson | \$246,860 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------|---|--------------------------------|----------|--------------|-------------|---------------------|
| 17031 | 2010 Mountain Plains Convention Safety and Training Workshops | Interwest PERC | NM | \$10,244.21 | — | \$10,244.21 |
| 17343 | Idaho Propane Emergencies | Interwest PERC | ID | \$16,564.00 | \$13,436.00 | \$30,000.00 |
| 17346 | Oregon Propane Road Shows | Interwest PERC | OR | \$15,123.00 | \$14,877.00 | \$30,000.00 |
| 17348 | Wyoming Propane Emergencies | Interwest PERC | WY | \$15,625.00 | \$13,375.00 | \$29,000.00 |
| 17349 | New Mexico Safe Water Heater Installation Rebate | Interwest PERC | NM | \$22,813.00 | \$22,187.00 | \$45,000.00 |
| 17350 | Washington Propane Road Show | Interwest PERC | WA | \$8,250.00 | \$8,250.00 | \$16,500.00 |
| 17351 | Pacific Safe Appliance Rebate Program | Interwest PERC | WA | \$38,864.00 | \$31,136.00 | \$70,000.00 |
| 17355 | 2011 Montana Propane Emergencies | Interwest PERC | MT | \$12,500.00 | \$12,500.00 | \$25,000.00 |
| 17356 | Montana Consumer Safety Messaging | Interwest PERC | MT | \$12,564.00 | \$12,564.00 | \$25,128.00 |
| 17434 | Training Seminar at 2011 SCPGA / GPGA Convention | Georgia PERC | GA | \$5,816.26 | — | \$5,816.26 |
| 17468 | 2012 Training & Safety Package | North Carolina PERF | NC | \$146,000.00 | — | \$146,000.00 |
| 17485 | Commercial Mower and Vehicle Autogas Project | New England Propane Foundation | NEW ENG. | \$20,000.00 | — | \$20,000.00 |
| 17488 | 2012 Idaho Cylinder Requalification CGA Pamphlets | Interwest PERC | ID | \$4,135.80 | — | \$4,135.80 |
| 17501 | 2012 Montana Cylinder Requalification CGA Pamphlets | Interwest PERC | MT | \$6,365.45 | — | \$6,365.45 |
| 17522 | 2012 Emergency Response | Wisconsin PERC | WI | \$15,400.00 | \$15,400.00 | \$30,800.00 |
| 17526 | Ohio News Network Radio Safety | Ohio PERC | OH | \$46,345.00 | \$46,345.00 | \$92,690.00 |
| 17529 | 2012 Propane Piping Classes | Iowa PERC | IA | \$25,000.00 | \$25,000.00 | \$50,000.00 |
| 17538 | 2010-2011 Winter Storm and Wild Fire Safety Press Releases | PERC of Colorado | CO | \$589.30 | — | \$589.30 |
| 17539 | Wisconsin Safety & Training, including CETP 2012 | Wisconsin PERC | WI | \$213,750.00 | — | \$213,750.00 |
| 17540 | 2011 Montana Energy Share | Interwest PERC | MT | \$25,500.00 | — | \$25,500.00 |
| 17545 | WPGA /WPERC District Meetings 2011 | Wisconsin PERC | WI | \$3,907.15 | — | \$3,907.15 |
| 17550 | Propane Training 2012 | West Virginia PREF | WV | \$50,000.00 | — | \$50,000.00 |
| 17551 | Propane Emergencies | West Virginia PREF | WV | \$6,000.00 | \$6,000.00 | \$12,000.00 |
| 17552 | CETP Courses 2012 | New Jersey PERF | NJ | \$85,000.00 | — | \$85,000.00 |
| 17553 | Directors & Officers Insurance #9 | Ohio PERC | OH | \$1,493.00 | — | \$1,493.00 |
| 17554 | Leadership Summit - Nov 2011 - Reimbursement | Ohio PERC | OH | \$1,161.18 | — | \$1,161.18 |
| 17556 | Reimbursement for Annual PERC Leadership Summit 2011 | North Carolina PERF | NC | \$700.64 | — | \$700.64 |
| 17558 | 2012 Trainer Contract | Minnesota PEPSC | MN | \$73,000.00 | — | \$73,000.00 |
| 17561 | 2012 Community College Scholarship Program - HVAC Students | PERC of New York | NY | \$29,700.00 | \$29,700.00 | \$59,400.00 |
| 17562 | 2012 Community College Scholarship Program - Fire Sciences | PERC of New York | NY | \$29,700.00 | \$29,700.00 | \$59,400.00 |
| 17563 | 2012 NYPGA CETP Classes | PERC of New York | NY | \$143,000.00 | — | \$143,000.00 |
| 17564 | 2012 Emergency Response | PERC of New York | NY | \$33,208.00 | \$12,992.00 | \$46,200.00 |
| 17565 | 2012 Statewide Safety Awareness and Training | PERC of New York | NY | \$12,000.00 | — | \$12,000.00 |
| 17566 | NYPGA CETP Classes 2011 - Additional Funds | PERC of New York | NY | \$7,500.00 | — | \$7,500.00 |
| 17567 | 2010-2011 Colorado Newsletter Reimbursement | PERC of Colorado | CO | \$1,284.80 | — | \$1,284.80 |
| 17568 | Texas Propane Magazine | Propane Council of Texas | TX | \$32,804.00 | — | \$32,804.00 |
| 17569 | 2012 Montana Energy Share | Interwest PERC | MT | \$30,500.00 | — | \$30,500.00 |
| 17571 | 2009 Propane Hedging & Risk Management Training Workshop | Interwest PERC | MT | \$20,913.35 | — | \$20,913.35 |
| 17573 | 2012 NYPGA Scholarship Program - Public Relations Services | PERC of New York | NY | \$4,000.00 | — | \$4,000.00 |
| 17579 | Propane Customer Newsletter | Propane Council of Texas | TX | \$45,430.00 | — | \$45,430.00 |
| 17580 | Dispensing Propane Safely - Trade Show Booth | Wisconsin PERC | WI | \$2,363.84 | — | \$2,363.84 |
| 17581 | 2012 New York State Fair Participation & Collateral Material | PERC of New York | NY | \$5,000.00 | — | \$5,000.00 |
| 17582 | 2012 Procedural Guide for Application and Approval of Permit | PERC of New York | NY | \$15,000.00 | — | \$15,000.00 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------|--|----------------------------------|-------|--------------|-------------|---------------------|
| 17590 | 2012 Colorado Dispensing Propane Safely | PERC of Colorado | CO | \$5,786.14 | — | \$5,786.14 |
| 17591 | 2012 Colorado Chronicle Newsletter Safety and Training Info | PERC of Colorado | CO | \$1,440.00 | — | \$1,440.00 |
| 18002 | CETP Classroom Training 2012 | South Dakota PERC Foundation | SD | \$125,000.00 | — | \$125,000.00 |
| 18005 | 2011 National PERC Leadership Summit | Kentucky PERC | KY | \$1,134.08 | — | \$1,134.08 |
| 18007 | 2012 Certified Employee Training Program | Kentucky PERC | KY | \$40,000.00 | — | \$40,000.00 |
| 18008 | 2012 Propane Appliance Safe Installation Rebate Program | Kentucky PERC | KY | \$74,937.00 | \$30,063.00 | \$105,000.00 |
| 18009 | 2012 Colorado Commercial Mower Data Collection Project | PERC of Colorado | CO | \$23,525.00 | \$23,525.00 | \$47,050.00 |
| 18010 | 2012 Colorado Engine Fuel Road Shows | PERC of Colorado | CO | \$11,700.00 | \$11,700.00 | \$23,400.00 |
| 18014 | 2011 California Propane On-Road Vehicle Data Collection Add'l Funds | Western PERC | CA | \$20,000.00 | \$20,000.00 | \$40,000.00 |
| 18015 | 2012 Wyoming Horse Trailer Safety Workshop | Interwest PERC | WY | \$10,550.00 | — | \$10,550.00 |
| 18016 | 2012 HBA Tradeshows | Louisiana Propane Gas Foundation | LA | \$63,033.00 | — | \$63,033.00 |
| 18017 | 2012 Idaho E-Learning Distribution | Interwest PERC | ID | \$3,736.48 | — | \$3,736.48 |
| 18019 | 2012 Montana Safe Appliance Rebate Program | Interwest PERC | MT | \$22,464.00 | \$22,436.00 | \$44,900.00 |
| 18020 | 2012 Wyoming Safe Appliance Rebate Program | Interwest PERC | WY | \$13,352.00 | \$13,348.00 | \$26,700.00 |
| 18021 | 2012 Montana Driver Training | Interwest PERC | MT | \$5,585.00 | — | \$5,585.00 |
| 18026 | 2012 Pacific NFPA Handbooks | Interwest PERC | WA | \$20,357.25 | — | \$20,357.25 |
| 18028 | 2012 Professional Liability Insurance Reimbursement Request | Pennsylvania Propane Foundation | PA | \$1,225.00 | — | \$1,225.00 |
| 18029 | Reimbursement Request - Form 990 Prep Fees | Pennsylvania Propane Foundation | PA | \$715.00 | — | \$715.00 |
| 18035 | 2012 CETP and Safety Refresher Classes | Nebraska PERC | NE | \$150,000.00 | — | \$150,000.00 |
| 18036 | 2012 Marketer Technology Training/Emergency Training | Louisiana Propane Gas Foundation | LA | \$9,000.00 | — | \$9,000.00 |
| 18043 | 2011/2012 Radio Campaign | Pennsylvania Propane Foundation | PA | \$68,100.00 | \$56,750.00 | \$124,850.00 |
| 18044 | 2012 Training | Tennessee PERC | TN | \$137,500.00 | — | \$137,500.00 |
| 18045 | 2012/2013 Poultry Progress Day Partnership | Pennsylvania Propane Foundation | PA | \$2,750.00 | — | \$2,750.00 |
| 18046 | 2012 Training Program | Pennsylvania Propane Foundation | PA | \$88,000.00 | — | \$88,000.00 |
| 18048 | Operating Costs, Regional Convention, and Leadership Summit 2011 Reimbursement | Michigan PERC | MI | \$3,508.22 | — | \$3,508.22 |
| 18049 | Propane Safety and Training 2012 - MD | Mid Atlantic PREF | MD | \$83,402.20 | — | \$83,402.20 |
| 18050 | Propane Safety and Training 2012 - DE | Mid Atlantic PREF | DE | \$35,743.80 | — | \$35,743.80 |
| 18051 | Duty to Warn Project | Propane Council of Texas | TX | \$73,428.33 | — | \$73,428.33 |
| 18054 | 2012 Rocky Mountain DOT Compliance Seminar | Interwest PERC | MT | \$9,500.00 | — | \$9,500.00 |
| 18057 | Safety, CETP & Propane Fire Training - 2012 | North Dakota PERC | ND | \$86,450.00 | — | \$86,450.00 |
| 18060 | Virginia Propane Emergencies Training and Outreach 2012 | Virginia PREF | VA | \$20,938.50 | \$19,338.50 | \$40,277.00 |
| 18064 | 2012 Safe Installations of Propane Appliances Program | Georgia PERC | GA | \$50,000.00 | \$21,731.00 | \$71,731.00 |
| 18065 | Safety Training for Georgia Propane Industry Workers | Georgia PERC | GA | \$80,000.00 | — | \$80,000.00 |
| 18068 | Virginia Safety Training and Education 2012 | Virginia PREF | VA | \$149,366.00 | — | \$149,366.00 |
| 18069 | Commercial Mower Purchase/Conversion Data Collection | Virginia PREF | VA | \$12,500.00 | \$12,500.00 | \$25,000.00 |
| 18071 | 2012 Propane Web Services - Alaska | Interwest PERC | AK | \$125.00 | — | \$125.00 |
| 18072 | 2012 Propane Web Services - Arizona | Interwest PERC | AZ | \$500.00 | — | \$500.00 |
| 18073 | 2012 Propane Web Services - Western | Western PERC | CA | \$500.00 | — | \$500.00 |
| 18074 | 2012 Propane Web Services - Colorado | PERC of Colorado | CO | \$500.00 | — | \$500.00 |
| 18075 | 2012 Propane Web Services - Georgia | Georgia PERC | GA | \$500.00 | — | \$500.00 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------|--|---|----------|--------------|-------------|--------------|
| 18076 | 2012 Propane Web Services - Florida | Propane Education Foundation of Florida | FL | \$500.00 | — | \$500.00 |
| 18077 | 2012 Propane Web Services - Hawaii | Interwest PERC | HI | \$125.00 | — | \$125.00 |
| 18079 | 2012 Propane Web Services - Iowa | Iowa PERC | IA | \$500.00 | — | \$500.00 |
| 18080 | 2012 Propane Web Services - Idaho | Interwest PERC | ID | \$125.00 | — | \$125.00 |
| 18081 | 2012 Propane Web Services - Indiana | Indiana Propane Gas Foundation | IN | \$500.00 | — | \$500.00 |
| 18082 | 2012 Propane Web Services - Missouri | Missouri PERC | MO | \$500.00 | — | \$500.00 |
| 18083 | 2012 Propane Web Services - Montana | Interwest PERC | MT | \$125.00 | — | \$125.00 |
| 18084 | 2012 Propane Web Services - Nebraska | Nebraska PERC | NE | \$500.00 | — | \$500.00 |
| 18085 | 2012 Propane Web Services - New England | New England Propane Foundation | NEW ENG. | \$500.00 | — | \$500.00 |
| 18086 | 2012 Propane Web Services - New Mexico | Interwest PERC | NM | \$500.00 | — | \$500.00 |
| 18087 | 2012 Propane Web Services - Nevada | Interwest PERC | NV | \$500.00 | — | \$500.00 |
| 18088 | 2012 Propane Web Services - New York | PERC of New York | NY | \$500.00 | — | \$500.00 |
| 18089 | 2012 Propane Web Services - Oregon | Interwest PERC | OR | \$125.00 | — | \$125.00 |
| 18090 | 2012 Propane Web Services - South Carolina | South Carolina PERF | SC | \$500.00 | — | \$500.00 |
| 18091 | 2012 Propane Web Services - Utah | Interwest PERC | UT | \$125.00 | — | \$125.00 |
| 18092 | 2012 Propane Web Services - Washington | Interwest PERC | WA | \$125.00 | — | \$125.00 |
| 18093 | 2012 Propane Web Services - Wyoming | Interwest PERC | WY | \$125.00 | — | \$125.00 |
| 18094 | 2012 Propane Web Services - Wisconsin | Wisconsin PERC | WI | \$500.00 | — | \$500.00 |
| 18095 | 2012 Propane Web Services - Illinois | Illinois PERC | IL | \$500.00 | — | \$500.00 |
| 18099 | New Technology Decision Maker Database & Communications | New England Propane Foundation | NEW ENG. | \$160,000.00 | — | \$160,000.00 |
| 18101 | 2012 - 2013 Arizona Commercial Mower Data Collection | Interwest PERC | AZ | \$18,054.00 | \$17,846.00 | \$35,900.00 |
| 18108 | 2012 Consumer Safety Public Relations Program | New England Propane Foundation | NEW ENG. | \$10,000.00 | — | \$10,000.00 |
| 18109 | Technical Training Funding | New England Propane Foundation | NEW ENG. | \$25,000.00 | — | \$25,000.00 |
| 18110 | 2012 Colorado Employee Training Program | PERC of Colorado | CO | \$35,770.00 | — | \$35,770.00 |
| 18111 | 2012 CETP Rebate Program | New England Propane Foundation | NEW ENG. | \$100,000.00 | — | \$100,000.00 |
| 18115 | Football Radio #16 - Consumer Safety Messaging | Ohio PERC | OH | \$30,667.00 | \$15,333.00 | \$46,000.00 |
| 18116 | Basketball Radio #7 | Ohio PERC | OH | \$29,900.00 | \$14,950.00 | \$44,850.00 |
| 18118 | 2012 Pacific Training Classes | Interwest PERC | WA | \$86,570.00 | — | \$86,570.00 |
| 18119 | 2012 Montana Employee Training | Interwest PERC | MT | \$31,180.00 | — | \$31,180.00 |
| 18120 | 2012 Wyoming Employee Training | Interwest PERC | WY | \$31,180.00 | — | \$31,180.00 |
| 18121 | 2012 Idaho Employee Training | Interwest PERC | ID | \$38,070.00 | — | \$38,070.00 |
| 18122 | 2012 Utah Employee Training | Interwest PERC | UT | \$22,395.00 | — | \$22,395.00 |
| 18124 | 2011 Penn Valley Gas Emergency Training | Pennsylvania Propane Foundation | PA | \$1,100.00 | — | \$1,100.00 |
| 18127 | 2012 PA Manufactured Housing Association Partnership | Pennsylvania Propane Foundation | PA | \$11,000.00 | — | \$11,000.00 |
| 18128 | AIA Ohio Professional Training Partnership | Ohio PERC | OH | \$18,926.00 | \$1,074.00 | \$20,000.00 |
| 18129 | 2012 Wisconsin Cylinder Requalification CGA Pamphlets | Wisconsin PERC | WI | \$25,883.25 | — | \$25,883.25 |
| 18130 | Mower & Vehicle Data Collection Program | Wisconsin PERC | WI | \$90,395.00 | \$19,605.00 | \$110,000.00 |
| 18132 | Publication of NCPGA Magazine | North Carolina PERF | NC | \$20,000.00 | — | \$20,000.00 |
| 18144 | Southeastern Convention 2012 Reimbursement | Iowa PERC | IA | \$584.86 | — | \$584.86 |
| 18145 | 2012 Paraco Gas Emergency Training | Pennsylvania Propane Foundation | PA | \$2,530.00 | — | \$2,530.00 |
| 18146 | 2011/2012 Multi-Media Safety and Training Communications | Pennsylvania Propane Foundation | PA | \$19,800.00 | — | \$19,800.00 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------|--|---|-------|--------------|--------------|---------------------|
| 18147 | 2011/2012 Website Maintenance | Pennsylvania Propane Foundation | PA | \$3,168.00 | — | \$3,168.00 |
| 18148 | 2012 PA Plumbing Heating Cooling Contractors Partnership | Pennsylvania Propane Foundation | PA | \$3,850.00 | — | \$3,850.00 |
| 18149 | 2012 PA RV & Camping Association (PRVCA) Partnership | Pennsylvania Propane Foundation | PA | \$4,180.00 | — | \$4,180.00 |
| 18150 | 2012 Tri-State Speakers/Presenters | Pennsylvania Propane Foundation | PA | \$2,750.00 | — | \$2,750.00 |
| 18152 | 2012 Propane Web Services - Tennessee | Tennessee PERC | TN | \$500.00 | — | \$500.00 |
| 18154 | Consumer Safety Tip & Recipe Calendar | Propane Council of Texas | TX | \$53,454.00 | — | \$53,454.00 |
| 18156 | 2012 Tri-State meeting | New Jersey PERF | NJ | \$2,500.00 | — | \$2,500.00 |
| 18161 | Reimbursement of Audit Fees | Iowa PERC | IA | \$3,050.00 | — | \$3,050.00 |
| 18163 | Michigan Propane Safety Training Program 2012/13 | Michigan PERC | MI | \$630,300.00 | \$101,884.00 | \$732,184.00 |
| 18169 | Southeast Propane Convention | South Dakota PERC Foundation | SD | \$1,574.09 | — | \$1,574.09 |
| 18171 | WPGA /WPERC District Meetings 2012 | Wisconsin PERC | WI | \$11,700.00 | — | \$11,700.00 |
| 18172 | Dispensing Propane Safely - Trade Show Booth | Wisconsin PERC | WI | \$2,223.00 | — | \$2,223.00 |
| 18180 | Safety Training for Kansas Propane Industry Workers | Kansas PERC | KS | \$27,777.93 | — | \$27,777.93 |
| 18181 | 2012 Oklahoma-Arkansas Safety Training and Annual Conference | Natural Resources Education Foundation | OK | \$17,000.00 | — | \$17,000.00 |
| 18182 | Reimbursement of Audit Fees - 2011 990 | Iowa PERC | IA | \$675.00 | — | \$675.00 |
| 18183 | California Propane On-Road Vehicle Data Collection 2011 | Western PERC | CA | \$25,000.00 | — | \$25,000.00 |
| 18184 | California Safe Installation of Appliance Rebates 2011-12 | Western PERC | CA | \$22,019.00 | \$2,981.00 | \$25,000.00 |
| 18185 | 2012 R.F. Ohi Propane Emergencies Training | Pennsylvania Propane Foundation | PA | \$1,430.00 | — | \$1,430.00 |
| 18192 | First Contact Safety Training & Hazmat Training | Propane Council of Texas | TX | \$70,800.00 | — | \$70,800.00 |
| 18194 | 2012 Historical Records and Safety Literature Storage | South Carolina PERF | SC | \$1,350.00 | — | \$1,350.00 |
| 18195 | 2012 Duty to Warn Notification | South Carolina PERF | SC | \$6,000.00 | — | \$6,000.00 |
| 18196 | Training Seminars at 2012 SCPGA / GPGA Convention | South Carolina PERF | SC | \$9,603.00 | — | \$9,603.00 |
| 18197 | 2012 CETP & Technical Training | South Carolina PERF | SC | \$52,500.00 | — | \$52,500.00 |
| 18216 | 2012 LPGA Summer Convention Training | Louisiana Propane Gas Foundation | LA | \$2,750.00 | — | \$2,750.00 |
| 18218 | CETP #15 | Ohio PERC | OH | \$150,000.00 | — | \$150,000.00 |
| 18221 | WPERC Directors & Officers Insurance for 2011 | Western PERC | CA | \$1,234.50 | — | \$1,234.50 |
| 18222 | WPERC Directors & Officers Insurance for 2012 | Western PERC | CA | \$1,277.00 | — | \$1,277.00 |
| 18223 | WPERC Filing of IRS Tax Form 990 - 2010 | Western PERC | CA | \$3,225.00 | — | \$3,225.00 |
| 18224 | WPERC Filing of IRS Tax Form 990 - 2011 | Western PERC | CA | \$3,550.00 | — | \$3,550.00 |
| 18228 | Mower & Vehicle Data Collection Program | Propane Council of Texas | TX | \$16,373.62 | \$12,039.57 | \$28,413.19 |
| 18229 | Propane Powered Ford F-250/Motor Fuel Demonstration | Pennsylvania Propane Foundation | PA | \$46,498.00 | \$18,752.00 | \$65,250.00 |
| 18231 | Commercial Mower Purchase / Placement / Data Collection | Mississippi PERC | MS | \$36,000.00 | \$27,500.00 | \$63,500.00 |
| 18232 | 2012 Publication of SCPGA News Magazine | South Carolina PERF | SC | \$24,771.00 | — | \$24,771.00 |
| 18234 | 2012 California Propane Forklift Safety Flip Chart | Western PERC | CA | \$20,000.00 | — | \$20,000.00 |
| 18235 | California Propane On-Road Vehicle Data Collection 2012-13 | Western PERC | CA | \$75,000.00 | \$75,000.00 | \$150,000.00 |
| 18236 | California Safe Installation of Appliance Rebates 2012-13 | Western PERC | CA | \$37,500.00 | \$37,500.00 | \$75,000.00 |
| 18237 | California Commercial Mower Data Collection 2012-13 | Western PERC | CA | \$12,500.00 | \$12,500.00 | \$25,000.00 |
| 18238 | California Propane Forklift Safety Incentive Program 2013 | Western PERC | CA | \$75,000.00 | — | \$75,000.00 |
| 18239 | 2012 Safe Installation of Propane Appliances Program | Illinois PERC | IL | \$275,046.92 | \$158,513.00 | \$433,559.92 |
| 18243 | 2012-2013 Safe Installations of Water Heaters Program | Propane Education Foundation of Florida | FL | \$216,778.00 | \$83,222.00 | \$300,000.00 |
| 18244 | 2012 Southeast Propane Expo Reimbursement | Pennsylvania Propane Foundation | PA | \$1,767.60 | — | \$1,767.60 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------|---|---|----------|--------------|--------------|---------------------|
| 18245 | 2012 Supplemental Radio Campaign | Pennsylvania Propane Foundation | PA | \$82,680.00 | — | \$82,680.00 |
| 18247 | Missouri Safe Appliance Installation Program FY13 | Missouri PERC | MO | \$200,831.75 | \$115,511.00 | \$316,342.75 |
| 18248 | 2012-2013 Commercial Mower Data Collection | Propane Education Foundation of Alabama | AL | \$22,000.00 | — | \$22,000.00 |
| 18249 | 2012-2013 Regulator Rebate | Propane Education Foundation of Alabama | AL | \$20,000.00 | — | \$20,000.00 |
| 18250 | 2012-2013 Safe Installation of Water Heaters | Propane Education Foundation of Alabama | AL | \$48,625.00 | \$20,000.00 | \$68,625.00 |
| 18252 | 2012-2013 Newsletter | Iowa PERC | IA | \$30,000.00 | — | \$30,000.00 |
| 18253 | Educational Training Facility | Iowa PERC | IA | \$143,000.00 | — | \$143,000.00 |
| 18255 | 2012 Autogas Ad | New Jersey PERF | NJ | \$2,887.00 | — | \$2,887.00 |
| 18260 | California Propane Pocket Technical Guide | Western PERC | CA | \$2,000.00 | — | \$2,000.00 |
| 18268 | Operating Expenses (Filing of IRS 990) - 2011 | New Jersey PERF | NJ | \$3,000.00 | — | \$3,000.00 |
| 18277 | 2012 Training/Emergency Training | Louisiana Propane Gas Foundation | LA | \$6,965.75 | — | \$6,965.75 |
| 18278 | Arkansas PGA 2012 Safety Projects | Arkansas PERC | AR | \$80,000.00 | — | \$80,000.00 |
| 18279 | Kansas State Fair Sponsorship 2012 | Kansas PERC | KS | \$42,691.00 | — | \$42,691.00 |
| 18283 | Propane Safety Awareness Campaign 2012 - 2013 | Wisconsin PERC | WI | \$20,000.00 | \$20,000.00 | \$40,000.00 |
| 18286 | National Association of State Fire Marshal's Conference | New England Propane Foundation | NEW ENG. | \$6,000.00 | — | \$6,000.00 |
| 18287 | Water Heater and Central Heating System Safe Installation Rebates | New England Propane Foundation | NEW ENG. | \$130,000.00 | \$130,000.00 | \$260,000.00 |
| 18288 | Kansas Duty to Warn Project 2012 | Kansas PERC | KS | \$29,722.00 | \$29,722.00 | \$59,444.00 |
| 18290 | Propane Safety Awareness Campaign 2012 | Kansas PERC | KS | \$9,549.00 | \$9,549.00 | \$19,098.00 |
| 18291 | Educational Training Facility | North Carolina PERF | NC | \$125,000.00 | — | \$125,000.00 |
| 18300 | 2012 Safe Installations of Propane Appliances Program | Georgia PERC | GA | \$70,000.00 | \$70,000.00 | \$140,000.00 |
| 18301 | Sunbelt Ag Expo 2012 | Georgia PERC | GA | \$12,356.88 | — | \$12,356.88 |
| 18303 | 2013 Wyoming Horse Trailer Safety Workshop | Interwest PERC | WY | \$5,350.00 | — | \$5,350.00 |
| 18305 | Reimbursement for 2012 Leadership Summit | Iowa PERC | IA | \$1,063.01 | — | \$1,063.01 |
| 18307 | Tennessee Propane Gas Association Road Show 2012 | Tennessee PERC | TN | \$4,675.00 | \$4,675.00 | \$9,350.00 |
| 18308 | 2012 Leadership Summit Reimbursement | Mid Atlantic PREF | MD | \$1,323.25 | — | \$1,323.25 |
| 18309 | 2012 Leadership Summit Reimbursement | New England Propane Foundation | NEW ENG. | \$1,200.17 | — | \$1,200.17 |
| 18310 | Foundation Admin 2013 | New England Propane Foundation | NEW ENG. | \$19,000.00 | — | \$19,000.00 |
| 18311 | 2013 Consumer Safety Public Relations Program | New England Propane Foundation | NEW ENG. | \$18,000.00 | — | \$18,000.00 |
| 18312 | External Professional Training Partnership 2013 - MD | Mid Atlantic PREF | MD | \$11,045.00 | \$11,045.00 | \$22,090.00 |
| 18314 | Leadership Conference and PERC Working Groups Meeting | Minnesota PEPSC | MN | \$1,053.08 | — | \$1,053.08 |
| 18315 | MN Demonstration Vehicle Data Collection | Minnesota PEPSC | MN | \$26,135.75 | \$26,135.75 | \$52,271.50 |
| 18316 | Reimbursement for 2012 Leadership Summit | Louisiana Propane Gas Foundation | LA | \$1,767.44 | — | \$1,767.44 |
| 18318 | Leadership Summit - Oct 2012 - Reimbursement | Ohio PERC | OH | \$1,293.88 | — | \$1,293.88 |
| 18320 | 2012 Leadership Summit | Propane Education Foundation of Florida | FL | \$1,353.26 | — | \$1,353.26 |
| 18323 | 2012 Energy Outreach Colorado | PERC of Colorado | CO | \$25,500.00 | — | \$25,500.00 |
| 18324 | Reimbursement for 2012 Leadership Summit | Virginia PREF | VA | \$1,381.14 | — | \$1,381.14 |
| 18326 | 2013 Indiana Safety and Training Program | Indiana Propane Gas Foundation | IN | \$189,600.00 | \$24,000.00 | \$213,600.00 |
| 18327 | Safe Installations of Appliances 2012-2013 Program | North Carolina PERF | NC | \$50,000.00 | \$50,000.00 | \$100,000.00 |
| 18328 | NC Consumer Safety Education Project/Duty to Warn | North Carolina PERF | NC | \$15,000.00 | \$15,000.00 | \$30,000.00 |

2012 REBATES

| DOCKET | TITLE | PAYEE | STATE | REBATE | PARTNERSHIP | TOTAL |
|--------------|---|---------------------------------|-------|-----------------------|-----------------------|-----------------------|
| 18329 | 2012 Training & Safety Package | North Carolina PERF | NC | \$146,000.00 | — | \$146,000.00 |
| 18330 | 2012 External Professional Training | North Carolina PERF | NC | \$5,000.00 | — | \$5,000.00 |
| 18331 | Reimbursement for 2012 Leadership Summit | North Carolina PERF | NC | \$1,224.51 | — | \$1,224.51 |
| 18332 | CETP Courses 2013 | New Jersey PERF | NJ | \$58,500.00 | — | \$58,500.00 |
| 18333 | Reimbursement Request - Form 990 Prep Fees | Pennsylvania Propane Foundation | PA | \$715.00 | — | \$715.00 |
| 18337 | 2012 Nevada Employee Training Reimbursement | Interwest PERC | NV | \$22,169.04 | — | \$22,169.04 |
| 18338 | 2012 National PERC Leadership Summit | Kentucky PERC | KY | \$1,004.10 | — | \$1,004.10 |
| 18339 | 2013 Training | Tennessee PERC | TN | \$150,425.00 | — | \$150,425.00 |
| 18340 | 2013 MN On-Road Vehicle Data Collection Incentive | Minnesota PEPSC | MN | \$50,000.00 | \$50,000.00 | \$100,000.00 |
| 18341 | NYPGA CETP Classes 2012 - Additional Funds | PERC of New York | NY | \$36,386.05 | — | \$36,386.05 |
| 18354 | California Gas Shut Off Safety Disks 2013 | Western PERC | CA | \$10,000.00 | — | \$10,000.00 |
| 18355 | California Propane 101 for Front Office Staff 2013 | Western PERC | CA | \$4,500.00 | — | \$4,500.00 |
| 18356 | California Propane Emergency Response/HazMat Training 2013 | Western PERC | CA | \$134,500.00 | — | \$134,500.00 |
| 18357 | California Training and Safety Ed. Consultant 2013 | Western PERC | CA | \$85,000.00 | — | \$85,000.00 |
| 18358 | California Fuel Quality and Supply Consultant 2013 | Western PERC | CA | \$30,000.00 | — | \$30,000.00 |
| 18359 | World Ag Expo 2013 | Western PERC | CA | \$17,500.00 | — | \$17,500.00 |
| 18360 | California Certified Employee Training Program [CETP] 2013 | Western PERC | CA | \$20,000.00 | — | \$20,000.00 |
| 18362 | California Regulator Rebate 2013 | Western PERC | CA | \$20,000.00 | — | \$20,000.00 |
| 18363 | California LIHEAP Consumer Safety Education Program 2013 | Western PERC | CA | \$1,000.00 | \$1,000.00 | \$2,000.00 |
| 18364 | California Propane Road Show 2013 | Western PERC | CA | \$5,000.00 | \$5,000.00 | \$10,000.00 |
| 18365 | Western Propane Gas Association Fire School 2013 | Western PERC | CA | \$10,000.00 | \$10,000.00 | \$20,000.00 |
| 18366 | 2013 California Hazmat Refresher/DOT Compliance Training | Western PERC | CA | \$4,500.00 | — | \$4,500.00 |
| 18370 | Filing of IRS Tax Form 990 Year End 2011 | North Dakota PERC | ND | \$845.00 | — | \$845.00 |
| 18372 | 2011 Safe Installations of Appliances Program - Add'l Funds | Georgia PERC | GA | \$5,125.00 | — | \$5,125.00 |
| TOTAL | | | — | \$7,851,965.81 | \$1,715,190.82 | \$9,567,156.63 |

STATEMENTS OF FINANCIAL POSITION

| December 31 | 2012 | 2011 |
|--|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash & Cash Equivalents | \$935,456 | \$943,626 |
| Accounts Receivable | \$23,969 | \$12,067 |
| Investments, Current Portion | \$12,968,458 | \$12,573,962 |
| Assessments Receivable | \$4,200,383 | \$4,393,000 |
| Inventory, Net | \$665,960 | \$415,129 |
| Prepaid Expenses | \$355,336 | \$392,263 |
| TOTAL CURRENT ASSETS | \$19,149,562 | \$18,730,047 |
| PROPERTY & EQUIPMENT | | |
| Office Equipment | \$31,653 | \$31,653 |
| Office Furniture | \$178,009 | \$178,009 |
| Computer Hardware & Software | \$3,969,489 | \$3,757,279 |
| Leasehold Improvements | \$321,912 | \$321,912 |
| Less: Accumulated Depreciation | [\$3,451,075] | [\$2,670,752] |
| TOTAL PROPERTY & EQUIPMENT, NET | \$1,049,988 | \$1,618,101 |
| OTHER ASSETS | | |
| Other | \$224,511 | \$170,302 |
| Investments, Net of Current Portion | \$17,493,799 | \$21,489,079 |
| TOTAL OTHER ASSETS | \$17,718,310 | \$21,659,381 |
| TOTAL ASSETS | \$37,917,860 | \$42,007,529 |

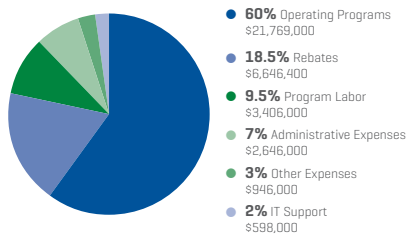
| December 31 | 2012 | 2011 |
|---|---------------------|---------------------|
| LIABILITIES & NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accrued Expenses | \$3,552,079 | \$4,082,553 |
| State Rebate Obligation | \$7,859,559 | \$8,787,812 |
| TOTAL CURRENT LIABILITIES | \$11,411,638 | \$12,870,365 |
| Deferred Rent | \$157,876 | \$203,840 |
| TOTAL LIABILITIES | \$11,569,514 | \$13,074,205 |
| NET ASSETS | | |
| Undesignated | \$2,946,465 | \$7,721,829 |
| Designated | \$23,401,881 | \$21,211,495 |
| TOTAL NET ASSETS | \$26,348,346 | \$28,933,324 |
| TOTAL LIABILITIES & NET ASSETS | \$37,917,860 | \$42,007,529 |

The Propane Education & Research Council's (PERC) 2011 and 2012 financial statements were audited and found in conformance with generally accepted accounting principles (GAAP) and an unqualified opinion was issued by Aronson LLC, of Rockville, Md. To request a copy of this report, contact PERC in writing at 1140 Connecticut Ave. NW, Suite 1075, Washington, DC 20036.

STATEMENTS OF ACTIVITIES & CHANGES IN NET ASSETS

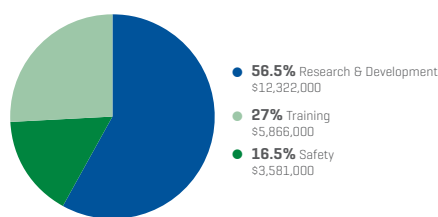
| Years ended December 31 | 2012 | 2011 |
|--|---------------------|---------------------|
| REVENUE | | |
| Assessment Revenue | \$29,929,913 | \$32,928,868 |
| Less: State Rebates | [\$5,985,979] | [\$6,585,776] |
| Net Assessment Revenue | \$23,943,934 | \$26,343,092 |
| Investment Income | \$337,426 | \$402,788 |
| Fulfillment Sales | \$1,420,947 | \$1,557,127 |
| Less: Costs of Goods Sold | [\$1,423,910] | [\$1,721,078] |
| Net Fulfillment Cost | [\$2,963] | [\$163,951] |
| TOTAL REVENUE | \$24,278,397 | \$26,581,929 |
| EXPENSES | | |
| PROGRAMS | | |
| Residential & Commercial | \$4,027,651 | \$6,366,026 |
| Safety & Training | \$2,371,083 | \$3,601,887 |
| Research & Development | \$3,538,379 | \$5,170,146 |
| Engine Fuel | \$7,732,232 | \$8,741,157 |
| Industry | \$4,079,440 | \$4,520,226 |
| Agriculture | \$1,617,853 | \$2,208,594 |
| TOTAL PROGRAM EXPENSES | \$23,366,638 | \$30,608,036 |
| GENERAL & ADMINISTRATIVE | | |
| Administrative Costs | \$2,553,515 | \$2,704,961 |
| Collection Costs | \$145,741 | \$129,847 |
| Depreciation | \$797,481 | \$622,216 |
| TOTAL GENERAL & ADMINISTRATIVE EXPENSES | \$3,496,737 | \$3,497,024 |
| TOTAL EXPENSES | \$26,863,375 | \$34,105,060 |
| Changes in Net Assets | [\$2,584,978] | [\$7,523,131] |
| NET ASSETS AT BEGINNING OF YEAR | \$28,933,324 | \$36,456,455 |
| NET ASSETS AT END OF YEAR | \$26,348,346 | \$28,933,324 |

2013 OPERATING EXPENDITURE BUDGET



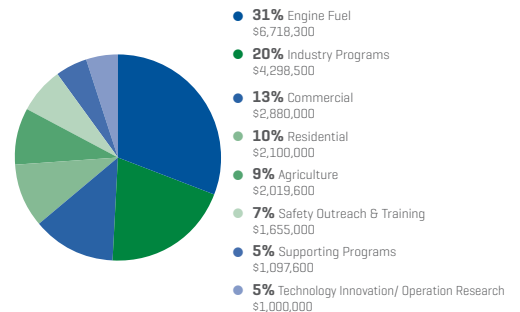
TOTAL \$36,011,400

2013 BUDGETED OPERATING PROGRAMS BY FUNCTION



TOTAL \$21,769,000

2013 BUDGETED OPERATING PROGRAMS INITIATIVES



TOTAL \$21,769,000

PROPANE EDUCATION & RESEARCH COUNCIL

1140 Connecticut Ave. NW, Suite 1075
Washington, DC 20036

P 202-452-8975

F 202-452-9054

propanecouncil.org

