

Propane Education & Research Council
April 11, 2014
Atlanta
MINUTES

Chairwoman Paula Wilson called the meeting to order at 8:41 a.m. Eastern Daylight Time.

Ms. Wilson, AmeriGas (Valley Forge, Pa.), welcomed the Council members in attendance:

Michael E. Barnes, BP Energy Co. (Houston) — *Vice Chairman, Producers*
Robert Barry, Bergquist (Toledo, Ohio) — *Treasurer*
Gene Bissell (Gladwyne, Pa.)
Steven Breckon, Lone Star NGL (Houston)
Robert Chalmers, JP Energy Partners (Irving, Texas)
Drew Combs, CHS Inc. (Inver Grove Heights, Minn.)
Gregg Dighero, EnCana (Denver)
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Sam Hawley, Enterprise Products Operating LLC (Houston)
Glenn Luce, Aux Sable Liquid Products (Morris, Ill.)
Gerry Misel, Georgia Gas Distributors (Sandy Springs, Ga.)
David Regan, Targa Resources (Houston)
Doug Rinke (Columbia, Mo.)
Michael Sheehan, Sheehan's Gas Co. (Bird Island, Minn.)
John Simcox, Thompson Gas & Electric Service (Hagerstown, Md.) — *Secretary*
Tom Van Buren, Ferrellgas (Overland Park, Kan.) — *Vice Chairman, Marketers*
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Sharon Beemer, DCP Midstream (Houston), joined the meeting by phone.

Chairwoman's Report

Council Appointment. Ms. Wilson announced the resignation from the Council of Troy Andrews, Aux Aable (Tulsa, Okla.), and announced the appointment of Mr. Freeman and Mr. Luce to the Council. Ms. Wilson welcomed two new members and thanked two councilors who were attending their last meeting, Mr. Sheehan and Mr. Regan, for their service on the Council.

Approval of Minutes. Ms. Wilson directed the councilors' attention to the minutes of the December 2013 and February 2014 Council meetings. Upon a motion duly made and seconded, the Council approved the minutes.

Officer Nominations. PERC President and CEO Roy Willis reviewed the rules on officer nominations and elections.

Upon a motion duly made and seconded, the Council closed nominations for four offices and re-elected Ms. Wilson as chairwoman, Mr. Van Buren as vice chairman representing marketers, Mr. Barnes as vice chairman representing producers, and Mr. Barry as treasurer for a term ending June 2015.

Mr. Simcox asked that his name be removed from consideration for another term as secretary, and Mr. Willis reminded councilors to submit nominations for that office.

Executive Committee. Ms. Wilson announced that the Executive Committee had approved the renewal of the lease for PERC's offices in Washington and noted that the committee would take part in a meeting with the officers of the National Propane Gas Association in Atlanta on April 12.

Treasurer's Report

Mr. Barry reviewed the 2013 budget year surplus compared with the 2013 audited surplus and presented the investment management report.

Upon a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out eight docket, with the funds returning to the general treasury (as follows).

- Docket: 18304 (Industry Programs) \$ 497,000**
Project: 2013 Advisory Committee and Program Support
Action: De-obligates the remaining balance of \$ 21,940 and returns these funds to the general treasury
- Docket: 18281 (Engine Fuel) \$50,000**
Project: Chrysler 300 LWB Propane Demo Vehicle
Action: De-obligates the remaining balance of \$ 25,000 and returns these funds to the general treasury
- Docket: 16414 (Research and Development) \$423,750**
Project: Propane Portable Generator Line
Action: De-obligates the remaining balance of \$133,550 and returns these funds to the general treasury
- Docket: 16744 (Research and Development) \$725,000**
Project: Development and Commercialization Support of Yanmar Micro-Combined Heat and Power
Action: De-obligates the remaining balance of \$23,228 and returns these funds to the general treasury
- Docket: 16939 (Research and Development) \$1,991,470**
Project: 11-Ton Rooftop Propane Packaged Engine Driven Heat Pump
Action: De-obligates the remaining balance of \$48,996 and returns these funds to the general treasury
- Docket: 18114 (Safety and Training) \$244,918**
Project: CETP Update — Railcar and Intermodal Tank (3.6 and 3.7)
Action: De-obligates the remaining balance of \$17,364 and returns these funds to the general treasury
- Docket: 18348 (Safety and Training) \$25,000**
Project: Superstorm Sandy Recovery — New Jersey

Action: De-obligates the remaining balance of \$7,374 and returns these funds to the general treasury

Docket: **16910 (Agriculture) \$155,485**

Project: Training Manual for Flaming Equipment

Action: De-obligates the remaining balance of \$3,654 and returns these funds to the general treasury

Consent Calendar

Ms. Wilson asked the councilors to turn their attention to the consent calendar in the briefing materials.

Upon a motion duly made and seconded, the Council approved the funding requests and change orders that appear on the consent calendar (as follows).

Docket: **19136**
Principal Contractor: Eidson and Partners
Title: Propane Irrigation Market Development in California (Change Order)
Amount Requested: \$188,000
Action: **Approved**

Docket: **20086**
Principal Contractor: The Dunlap Group
Title: CARB Certification Roadmap 2014
Amount: **\$60,000**
Action: **Approved**

Docket: **19357**
Principal Contractor: Dashe & Thompson
Title: 2014 Workforce Training Initiative
Amount Requested: \$461,252
Action: **Approved**

Docket: **20005**
Principal Contractor: International Association of Fire Chiefs
Title: First Responder Training & Conferences
Amount Requested: **\$326,229**
Action: **Approved**

President's Report

Mr. Willis reminded the Council of the negative press the industry got during the price surge and distribution problems of the winter just ended and pledged to develop a communications program that could help reassure homeowners of the reliability of propane and shore up demand for propane in the residential market. He also stressed the need to stimulate off-season demand for propane.

Mr. Willis had made t presidential approvals since the Council's last meeting (as follows).

Docket: **20046**
Principal Contractor: Strategic Communications LLC

Title: 2014 Industry-wide Communications
Approved Amount: \$45,000

Docket: 19351 (No-cost change order)
Principal Contractor: Robin Parsons and Steve Younis
Title: Development of NFPA Chapter 12 (formerly Modification of Chapter 11 of NFPA 58)
Approved Amount: \$0

Docket: 20075
Principal Contractor: ICF International
Title: Propane Industry Impact on U.S. and State Economies
Approved Amount: \$76,800

Portfolio Report

PERC Process Manager Grace Willis offered a report on the Council's portfolio of projects and on the results of key product-development programs in 2013.

Chief Business Development Officer's Report

PERC Chief Business Development Officer Tucker Perkins provided an update on several active PERC projects designed to drive new demand in many of the markets propane serves, including residential, commercial, landscape, fleet, and agriculture markets.

Chief Information Officer's Report

PERC Chief Information Officer Kay Howell offered a report on the Council's safety and training and industry engagement programs, including the Propane Marketer Resource Catalog and the Marketer Technology and Sales Training program.

Audit Committee. Mr. Simcox gave a report on the 2013 audit. Upon a motion duly made and seconded, the 2013 audit report was approved.

Cochin Pipeline Study

Mike Sloan of ICF International summarized the likely effects of the impending reversal of the Cochin pipeline on propane markets and propane marketers in the Midwest.

Perceptions Study

PERC Director of Communications Gregg Walker summarized the findings of a study of propane perceptions carried out by Artemis Strategy Group, one of the Council's research partners.

Industry and Public Comments

There were no public comments.

Old Business

There was no old business.

New Business

Bryan Lewis of CHS, vice chairman of the Safety and Training Working Group, invited councilors to send him lists of their common carrier transport operators as part of an effort to expand transport operator training.

Ms. Wilson announced that the Council will next meet July 16 and 17, 2014, in Santa Fe, N.M.

By unanimous consent, the Council adjourned at 3:10 p.m. EDT.

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