

Propane Education & Research Council
February 18, 2016
Dallas, Texas
MINUTES

Chairman Tom Van Buren called the meeting to order at 8:30 a.m. Central Time.

Mr. Van Buren, Ferrellgas (Overland Park, Kan.), offered a moment of prayer for David Lugar and his family. He welcomed the Council members in attendance:

Kasib Abdullah, BP (Houston)
Robert Barry, Bergquist (Toledo, Ohio) — *Secretary*
Dan Binning, Kiva Energy (Arvada, Colo.)
Steven Breckon, Lone Star NGL (Houston)
Robert Chalmers, JP Energy Partners (Irving, Texas) — *Treasurer*
Drew Combs, CHS Inc. (Inver Grove Heights, Minn.) — *Vice Chairman, Marketers*
Casey Cramton, Dead River Co. (South Portland, Maine)
Daniel Dixon, AmeriGas (Florence, Ala.)
Randy Doyle, Blossman Gas (Ocean Springs, Miss.)
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Sam Hawley, Enterprise (Houston)
Robert Hemsworth, DCP Midstream (Houston)
Glenn Luce, Aux Sable Liquid Products (Morris, Ill.)
Doug Rinke (Columbia, Mo.)
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Gregg Dighero, Encana Oil and Gas (Denver, Colo.), joined by telephone.

Chairman's Report

Approval of Minutes. Mr. Van Buren directed the councilors' attention to the minutes of the November Council meeting in Boca Raton, Fla., and the minutes from the December Council meeting conference call. Upon a motion duly made and seconded, the Council approved the minutes for both meetings.

Executive Committee. Mr. Van Buren reported that since the last Council meeting, Executive Committee members met Jan. 29 to discuss plans for the joint officers meeting of the Propane Education & Research Council and the National Propane Gas Association. Then on Feb. 2, the Executive Committee met with NPGA officers during that meeting to discuss an integrated strategy for growth opportunities and a common vision for the future. This includes a continued focus on optimizing resources in conjunction with NPGA and state associations.

Mr. Van Buren reported that the consumer education program will be a multi-year project and he encouraged councilors to engage in the discussion today to make sure we are on the right path for the future.

The Executive Committee also approved funding requests for two dockets (as follows).

Docket:	20797
Title:	Consumer Education Campaign Development

Amount Requested: \$335,000
Action: Approved

Docket: 20756
Title: Baseline Consumer Market Research
Amount Requested: \$150,000
Action: Approved

Consent Calendar

Mr. Van Buren 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 following dockets on the consent calendar (as follows).

Docket: 20712
Principal Contractor: Sukup Manufacturing Co.
Title: Modular Aluminum Octagon Burner
Amount Requested: \$49,250
Action: Approved

Docket: 20798
Principal Contractor: Interwest PERC
Title: 2016 Oregon Propane Power Incentive Program
Amount Requested: \$27,500
Action: Approved

Chief Executive Officer's Report

Chief Executive Officer Roy Willis reported on the updates to the 2016-2018 Strategic Plan to incorporate PERC's reinstated consumer education function now that the restriction has been lifted. He proposed raising the assessment rate to five-tenths of a cent for 2017 and 2018 to spend on the consumer education campaign and to maintain the level of activity in PERC's other programs. He asked for permission to distribute the draft of the Strategic Plan for industry input and comment. He will give the industry a summary of the plan, and also the whole document for review.

Mr. Van Buren suggested presenting the Strategic Plan with two versions of the plan: one maintaining the assessment rate at four-tenths of a cent and one raising it to five-tenths of a cent. Mr. Combs supported that opinion and Mr. Willis agreed.

Upon a motion duly made and seconded, the Council approved the release of the Strategic Plan to the public that includes two plans, one without raising the assessment and the other raising it to five-tenths of a cent.

The presidential grant and no-cost change orders Mr. Willis approved under his presidential authority since the Council's last meeting (as follows).

Docket: 20836
Time Extension: N/A
Title: North Carolina Pilot Marketing Program

Approved Amount: \$11,000

Docket: 20249 (no-cost change order)
Time Extension: N/A
Title: Department of Defense Autogas Program
Approved Amount: \$0

Docket: 20206 (no-cost change order)
Time Extension: Jan. 31, 2016
Title: 2015 Marketer Technology and Sales Training
Approved Amount: \$0

Docket: 20415 (no-cost change order)
Time Extension: Dec. 31, 2015
Title: *PROPANE Clean American Energy™* Brand Rollout Support
Approved Amount: \$0

Docket: 20016 (no-cost change order)
Time Extension: Oct. 1 2016
Title: JTGhp High Pressure Liquid Propane Direct Injection System
Approved Amount: \$0

Docket: 19351 (no-cost change order)
Time Extension: August 2016
Title: Development of NFPA Chapter 12
Approved Amount: \$0

Docket: 19035 (no-cost change order)
Time Extension: March 1, 2016
Title: 8.0L Product Launch Support
Approved Amount: \$0

Docket: 20129 (no-cost change order)
Time Extension: December 2016
Title: Propane Powered Golf & Turf Equipment Demonstration Program
Approved Amount: \$0

Docket: 19227 (no-cost change order)
Time Extension: Jan. 31, 2016
Title: Crisis Communications
Approved Amount: \$0

Docket: 19169 (no-cost change order)
Time Extension: N/A
Title: NAFTA Autogas Training and Certification
Approved Amount: \$0

Docket: 20187 (no-cost change order)
Time Extension: March 1, 2016
Title: 2014 Consumer Safety Preparedness Campaign
Approved Amount: \$0

Director of Communications Report

PERC Director of Communications Gregg Walker reported on 2015 market communication highlights by showing a video by Swanson Russell on PERC programs completed in the past year, including the school bus campaign, Straight Talk video campaign, and other programs.

MetroStudy Report

PERC Director of Residential and Commercial Programs Bridget Kidd, along with representatives from MetroStudy, Andy Reid and Toby Morrison, gave an overview of the residential market data and segmentation study that will give the industry key insights into opportunities in the residential market, how marketers can use the data, and how PERC will distribute the study to the industry.

Consumer Education Campaign Report

Chairman of the Market Outreach and Training Working Group and Chairman of the Consumer Education Task Force Scott Brockelmeyer, (Ferrellgas, Overland Park, Kan.), reported on what the task force has accomplished since the Advisory Committee meeting in Austin, Texas, after the restriction was lifted, to plan the strategic direction of the consumer education campaign.

Sarah Simmons of Nielsen reported on the preliminary findings of the consumer awareness baseline study taken from a survey of 3,000 homeowners in propane country nationwide.

PERC Chief Marketing Officer Dennis Vegas reported on the development of the consumer campaign's brand, strategies, goals, and target markets.

Mr. Doyle introduced a resolution that "the PERC Council, recognizing the post-restriction era, has made the long-term commitment to make growth of the propane industry a priority." Upon a motion duly made and seconded, the Council adopted the resolution.

Representatives from The Richards Group, the advertising agency hired to plan and execute the consumer education campaign, reviewed the creative concepts, tactics, and timeline in the plan they have recommended to the Council.

Mr. Walker reported on the campaign's rollout, integration, and metrics.

The Council reviewed **Docket 20828**. Upon a motion duly made and seconded, the Council approved the funding amount.

Mr. Van Buren asked for a breakdown of the digital and TV advertising funding for the campaign, and also noted that Rob Freeman, who was not present at the time, approved the campaign concepts, along with each of the other councilors. Stuart Weidie of NPGA also endorsed the campaign.

Docket:	20828
Principal Contractor:	The Richards Group
Title:	2016 Consumer Education Campaign
Amount Requested:	\$9.650 million
Action:	Approved

Industry and Public Comments

The Council received two public comments on **Docket 20828**.

Old Business

There was no old business.

New Business

There was no new business.

Mr. Van Buren announced that the next regularly scheduled Council meeting would take place April 7, 2016, in Nashville, Tennessee.

By unanimous consent, the Council adjourned at 3:33 p.m. Thursday CT.

##