

Propane Education & Research Council
October 3-4, 2012
Colorado Springs, Colo.
MINUTES

Proceedings of October 3

Chairman Joe Armentano called the meeting to order at 12:04 p.m. Mountain Daylight Time.

Mr. Armentano, Paraco Gas (Rye Brook, N.Y.), welcomed the Council members in attendance:

Michael E. Barnes, BP Energy Co. (Houston)
Robert Barry, Bergquist (Toledo, Ohio)
Sharon Beemer, DCP Midstream (Houston)
Gregg Dighero, EnCana (Denver)
Joe Gump, ConocoPhillips (Dacula, Ga.) — *Vice Chairman, Producers*
Sam Hawley, Enterprise Products Operating LLC (Houston)
Sam McTier, Propane Technologies (Lake Forest, Ill.)
Gerry Misel, Georgia Gas Distributors (Sandy Springs, Ga.) — *Treasurer*
Bill Platz, Delta Liquid Energy (Paso Robles, Calif.) — *Immediate Past President*
David Regan, Targa Resources (Houston)
Doug Rinke (Columbia, Mo.)
Russ Rupp, Suburban (Bonita Springs, Fla.)
Mike Sheehan, Sheehan's Gas (Bird Island, Minn.)
Thomas Van Buren, Ferrell North America (Overland Park, Kan.)
Paula Wilson, AmeriGas (Valley Forge, Pa.) — *Vice Chairwoman, Marketers*

Eric Benson, J.S. West & Co. (Modesto, Calif.), secretary, and Jeff White, Aux Sable Liquid Products (Morris, Ill.), joined the meeting by telephone.

Chairman's Report

Approval of Minutes. Mr. Armentano directed the councilors' attention to the minutes of the July 2012 Council meeting. Upon a motion duly made and seconded, the Council approved the minutes.

Appointment of Advisory Committee Chairman. Mr. Armentano announced that Darin Hunhoff has stepped down as chairman of the Market Outreach and Training Working Group on the PERC Advisory Committee. He nominated Scott Brockelmeyer, Ferrellgas (Kansas City, Mo.), as the new chairman of this working group. Upon a motion duly made and seconded, the Council approved the appointment.

Appointment of Advisory Committee Members. Mr. Armentano announced that he had appointed the following members to the Advisory Committee: James Van Uden, R.H. Foster Energy (Hampden, Maine), David Hedrick, AmeriGas Propane (Lake Orion, Mich.), and Christopher Willis, Growmark FS (Albion, N.Y.).

Executive Committee. Mr. Armentano reported that the Executive Committee met by conference call September 25 and met in person the morning of October 3 to discuss the president and CEO's performance goals for June 2013, personnel updates, and the

2013-2015 PERC Strategic Plan. He said the committee met October 2 with the officers of the National Propane Gas Association to discuss changes to the partnership agreement, efforts by NPGA to get the Department of Commerce to change the way it carries out the propane pricing calculation required by the Propane Education and Research Act of 1996, and the plans both organizations have for communication programs.

Chairman's Report

Mr. Armentano asked Council members to review carefully the draft 2013-2015 strategic plan and to bring their comments to the December Council meeting. He stressed the importance of getting industry reaction to the draft before the Council adopts a strategic plan at its next meeting.

Treasurer's Report

Mr. Misel provided highlights of the 2012 budget year surplus compared with the latest forecast as well as his investment management report.

Upon a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out 22 docket, with the funds returning to the general treasury (as follows).

Docket: 16959 (Residential and Commercial) \$3,747,000
Project: 2011 Residential Training Funding Request
Action: De-obligates the remaining balance of \$3,946 and returns these funds to the general treasury

Docket: 17136 (Residential and Commercial) \$200,000
Project: 2011 Construction Professional Media Outreach
Action: De-obligates the remaining balance of \$51,359 and returns these funds to the general treasury

Docket: 17137 (Residential and Commercial) \$500,000
Project: Construction Professional Trade Shows
Action: De-obligates the remaining balance of \$100,473 and returns these funds to the general treasury

Docket: 17212 (Residential and Commercial) \$151,000
Project: 2011 Residential and Commercial Audience Attitude Tracking
Action: De-obligates the remaining balance of \$29,013 and returns these funds to the general treasury

Docket: 17508 (Residential and Commercial) \$608,380
Project: Stopgap Communications Program for First Quarter 2012
Action: De-obligates the remaining balance of \$36,925 and returns these funds to the general treasury

Docket: 15716 (Industry Programs) \$250,000
Project: 2009 Industry Communications
Action: De-obligates the remaining balance of \$27,268 and returns these funds to the general treasury

Docket: 16946 (Industry Programs) \$290,000
Project: 2011 Industry Outreach Programs
Action: De-obligates the remaining balance of \$9,233 and returns these funds to the general treasury

Docket: 16086 (Engine Fuel) \$184,631
Project: Cab Chassis Tank Application for 6.0L Engine Certification
Action: De-obligates the remaining balance of \$184,631 and returns these funds to the general treasury

Docket: 16142 (Engine Fuel) \$245,976
Project: 6.0L W42 Custom Workhorse Chassis Liquid Propane Application
Action: De-obligates the remaining balance of \$132,688 and returns these funds to the general treasury

Docket: 16227 (Engine Fuel) \$192,760
Project: Heavy Duty OBD II 6.0L L96 Engine Demonstration
Action: De-obligates the remaining balance of \$149,382 and returns these funds to the general treasury

Docket: 17331 (Engine Fuel) \$300,000
Project: Engine Fuel Advisory Committee (EFAC) Professional Services
Action: De-obligates the remaining balance of \$6 and returns these funds to the general treasury

Docket: 17071 (Research and Development) \$297,800
Project: Testing And Analysis of the Performance of Pressure Relief Valves – Modified Test Protocol
Action: De-obligates the remaining balance of \$51,587 and returns these funds to the general treasury

Docket: 16901 (Research and Development) \$230,000
Project: 2011 RDAC Oversight and Advisory Committee Support
Action: De-obligates the remaining balance of \$17,729 and returns these funds to the general treasury

Docket: 16079 (Safety and Training) \$38,200
Project: Community Bulk Plant Outreach
Action: De-obligates the remaining balance of \$1,495 and returns these funds to the general treasury

Docket: 16871 (Safety and Training) \$332,000
Project: Bobtail Rollover Awareness and Prevention Program
Action: De-obligates the remaining balance of \$45,009 and returns these funds to the general treasury

Docket: 16938 (Safety and Training) \$156,500
Project: 2011 Safety & Training Advisory Committee Support
Action: De-obligates the remaining balance of \$30,081 and returns these funds to the general treasury

Docket: 17264 (Safety and Training) \$42,950
Project: Heavy Snowfall Brochure and E-learning Module
Action: De-obligates the remaining balance of \$9,371 and returns these funds to the general treasury

Docket: 17508 (Safety and Training) \$14,000
Project: Stopgap Communications Program for First Quarter 2012
Action: De-obligates the remaining balance of \$2,612 and returns these funds to the general treasury

Docket: 16408 (Agriculture) \$889,016
Project: Develop and Commercialize Steam Disinfestation Technologies
Action: De-obligates the remaining balance of \$184,807 and returns these funds to the general treasury

Docket: 16902 (Agriculture) \$150,000
Project: 2011 Agriculture Project/ Partner Development and Support
Action: De-obligates the remaining balance of \$49,724 and returns these funds to the general treasury

Docket: 17508 (Agriculture) \$87,238
Project: Stopgap Communications Program for First Quarter 2012
Action: De-obligates the remaining balance of \$43,560 and returns these funds to the general treasury

Docket: 18003 (Agriculture) \$11,855
Project: CAT 3406 Demonstration and Video
Action: De-obligates the remaining balance of \$24 and returns these funds to the general treasury

Consent Calendar

Mr. Armentano directed councilors' attention to the consent calendar in their briefing materials and invited a motion to approve the funding requests on the consent calendar. Upon a motion duly made and seconded, the Council approved the funding requests that appear on the consent calendar (as follows).

Docket: 18160
Principal Contractor: California Clean Air Technologies LLC
Title: Performance and Durability Validation of Propane-Diesel Dual- Fuel Retrofit System
Amount Requested: \$80,000
Action: Approved

Docket: 16723 (Change Order)
Principal Contractors: Powertrain Integration and CleanFuel USA
Title: 8.0L Engine – Medium-Duty Truck & Bus
Amount: \$356,000
Action: Approved

Docket: 17509
Principal Contractor: Kawasaki Engine & Power Product

Title:	2013-2014 Kawasaki Dealer Outreach and Training
Amount Requested:	\$243,500
Action:	Approved
Docket:	18167
Primary Contractor:	Roush CleanTech
Title:	Propane Autogas Fuel System Technical Training Program
Amount Requested:	\$250,000
Action:	Approved
Docket:	18202
Primary Contractor:	Logica3
Title:	Customer Owned Tank Safety & Maintenance Materials
Amount Requested:	\$14,650
Action:	Approved
Docket:	18204
Primary Contractor:	Dashe & Thomson
Title:	Autogas Dispenser Training Module
Amount Requested:	\$122,300
Action:	Approved
Docket:	18254
Primary Contractor:	Dashe & Thomson
Title:	Phase 1 CETP Update, Books 5.1, 5.2, and 8.0
Amount Requested:	\$246,860
Action:	Approved

President's Report

PERC President and CEO Roy Willis reviewed the Council's market development targets and business plans, acknowledging the Council's emphasis on developing the new propane-fueled technology that we need and selling what we have already developed.

Mr. Willis announced that he had approved **Docket 18217**, 2012 Alliance for Consumer Education Antihuffing Campaign, in the amount of \$10,000.

2013-2015 Strategic Plan

Mr. Willis introduced the draft 2013-2015 strategic plan, developed by a task force of propane industry volunteers. He noted that the staff would share the draft with key industry members in the coming weeks to solicit their comments and recommendations.

Mike Sloan, an economist with ICF International, offered an overview of the outlook for propane supply and demand in the next three years.

PERC Director of Communications Gregg Walker reviewed the way that the communications program supports the Council's strategic plan.

PERC Chief Business Development Officer Tucker Perkins reviewed the business development program and how it fits into the strategic plan.

PERC Vice President Stuart Flatow reviewed the role of the safety and training program in the Council's strategic plan.

PERC Director of Industry Programs Patrick Hyland reviewed the Council's industry engagement program.

2013 Budget

Mr. Harris introduced the PERC budget for 2013. Upon a motion duly made and seconded, the Council approved the budget.

The Council recessed at 4:53 p.m. MDT.

Proceedings of October 4

Mr. Armentano called the meeting back to order at 8:36 a.m. MDT.

Markets and Operations Reports

Mr. Perkins offered an update of PERC engine fuel programs.

Mr. Flatow offered an update on a forthcoming PERC training program for crane operators in the propane industry, some of whom may be subject to new federal training and certification requirements.

Mr. Hyland offered an update on PERC Marketer Technology and Sales Training.

Industry and Public Comments

Mr. Armentano invited industry and public comments.

Gene McPherson, McPherson Gas (Sturgis, S.D.), offered comments on propane fumigation of diesel engines, propane as a refrigerant, hydraulic fracturing, the Roush CleanTech product line, and marketer involvement in technology development programs.

Old Business

There was no old business.

New Business

There was no new business.

By unanimous consent, the Council adjourned at 9:55 a.m. MDT.