

Propane Education & Research Council
February 14, 2018
Santa Barbara, Calif.

MINUTES

Chairman Drew Combs called the meeting to order at 8:35 a.m. Pacific Standard Time.

Mr. Combs, CHS (Inver Grove Heights, Minn.), welcomed the Council members in attendance:

Kasib Abdullah, BP (Houston) — *Vice Chairman, Producers*
Robert Barry, Bergquist (Toledo, Ohio)
Steven Breckon, Lone Star NGL (Houston)
Scott Brockelmeyer, Ferrellgas (Overland Park, Kan.)
Robert Chalmers, Meritum Energy Holdings (San Antonio) — *Vice Chairman, Marketers*
Libby Cloos, Enterprise Products Operating (Houston)
Casey Cramton, Dead River Co. (South Portland, Maine)
Daniel Dixon, AmeriGas (Florence, Ala.) — *Secretary*
Randy Doyle, Blossman Gas (Ocean Springs, Miss.) — *Treasurer*
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)
Gary France, France Propane Service Inc. (Schofield, Wis.)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Bruce Leonard, Targa (Southlake, Texas)
Glenn Luce, Aux Sable (Morris, Ill.)
Joe Rose (Loudon, N.H.)

Richard Williams, Suburban Propane Partners LP (Whippany, N.J.), and David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.), joined by telephone and video streaming.

Mr. Combs called on Mr. Dixon to open the meeting with a prayer and the Pledge of Allegiance.

Mr. Combs acknowledged the Council's newest members, Ms. Cloos and Phil Farris, Plains Marketing (Denver, N.C.), both appointed by the GPA Midstream Association.

Chairman's Report

Approval of Minutes. Mr. Combs directed councilors' attention to the minutes of the November 2017 Council meeting. Upon a motion duly made and seconded, the Council approved the minutes.

Executive Committee. Mr. Combs announced that the Executive Committee had met December 1 and February 13, and topics of discussion included the reorganization of PERC staff, information technology strategy, the integrated marketing campaign, regionalization, and biopropane. He said the Executive Committee had met jointly with the officers of the National Propane Gas Association to discuss tax incentives, Volkswagen settlement activity, strategic planning, task-based training and certification, and propane supply, among other topics.

Industry Outreach Committee Report

Mr. Barry, chairman of the Industry Outreach Committee, offered a report on the committee's work.

MOT Restructuring Task Force Report

Mr. Leonard, who is leading the Market Outreach and Training Working Group and the MOT Restructuring Task Force, offered a report on the progress made by the Advisory Committee's Market Outreach and Technology Working Group (MOT) and directed councilors' attention to the draft revised charter for the group.

Upon a motion duly made and seconded, the Council adopted the new charter and a new name for the group, the Market Development and Outreach Working Group.

NPGA Report

NPGA Chairman-Elect Chris Earhart offered a report on the ongoing coordination between PERC and NPGA.

GPA Midstream Association Report

GPA Midstream Association President and CEO Mark Sutton offered a report on the ongoing coordination between PERC and GPA Midstream.

World LP Gas Association Report

WLPGA CEO and Managing Director James Rockall offered a report on the state of the global propane market and the association's activities and plans.

Chairman Comments

Mr. Combs offered comments on a new initiative to document and publicize the ways natural gas curtailments and interruptible contracts create opportunities for propane.

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins offered a report on the reorganization of PERC and ongoing improvements in communication and coordination with propane marketers, state associations, NPGA, GPA Midstream, and WLPGA. He also emphasized the importance of regional supply planning for next winter and beyond.

Financial Report

PERC Senior Vice President Michael Eason reviewed the finances through November and compared the 2017 budget forecast with actual assessment collections and expenditures.

Marketing and Communications Report

Mr. Eason gave a report on IT infrastructure and plans to improve it in the next three years.

PERC Director of Market Communications Ingrid Bechard gave a report on digital strategy for 2018 and beyond.

PERC Director of External Communications Gregg Walker and Kamps Propane Director of Marketing Josh Simpson, a member of the project team, offered a report on planning for an integrated marketing communications program that unites all of PERC's market outreach programs under one brand banner and one theme.

Industry Outreach Report

PERC Senior Vice President Bridget Kidd offered an update on regional meetings of state associations and marketers and on planning for the 2019 Partnership with States Program.

Mr. Combs appointed Mr. Rose to the Partnership with States project team.

PERC Director of Operations Grace Willis talked about the plans for upcoming propane sales surveys.

Ms. Willis introduced **Docket 21461**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 21461
Principal Contractor: ICF Resources
Title: 2017 U.S. Sales of Odorized Propane Survey & Report
Amount Requested: \$299,543
Action: Approved

The Council formed a task force, consisting of Mr. Doyle, Ms. Fowles, Mr. Leonard, and others to be named later, to explore other options for collecting propane sales data.

Business Development Report

PERC Senior Vice President Cinch Munson offered a report on business development activities and plans.

Mr. Munson introduced **Docket 21562**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 21562
Principal Contractor: PERC
Title: Professional Services and Support
Amount Requested: \$485,420
Action: Approved

Consent Calendar

Mr. Combs asked the councilors to turn their attention to the consent calendar in the briefing materials.

Councilors removed three funding requests from the consent calendar: **Dockets 21213, 21470, and 21535**.

Upon a motion duly made and seconded, the Council approved the two funding requests remaining on the consent calendar (as follows).

Docket: 21212 (Change Order)
Principal Contractor: PERC
Title: Updating Selected Consumer Safety and Duty-to-Warn Materials
Amount Requested: \$99,675

Action: **Approved**

Docket: **20975**
Principal Contractor: PERC
Title: 2017 CETP Maintenance
Amount Requested: **\$50,000**
Action: **Approved**

Upon a motion duly made and seconded, the following docket was approved with the stipulation that future dockets of this type should include more information about the work to be done.

Docket: **21213 (Change Order)**
Principal Contractor: PERC
Title: CETP NFPA 58 Update
Amount Requested: **\$65,000**
Action: **Approved**

Upon a motion duly made and seconded, the following docket was approved with the proviso that the rebate program it describes cannot be replicated without approval by the Council.

Docket: **21470 (Rebate Request)**
Principal Contractor: New England Propane Foundation
Title: MEMA Education Foundation Propane Training Facility
Amount Requested: **\$65,000**
Action: **Approved**

By unanimous consent, the Council returned the following docket to the state for revision and clarification.

Docket: **21535 (Rebate Request)**
Principal Contractor: Pacific Propane Education and Research Foundation
Title: 2018 Smart-Hose Safety System Program
Amount Requested: **\$28,200**
Action: **Referred to applicant for revision**

Upon a motion duly made and seconded, the following docket was approved.

Docket: **21493**
Principal Contractor: Swanson Russell
Title: Propane Construction Incentive Program
Amount Requested: **\$275,000**
Action: **Approved**

Public Comment

Mr. Combs invited members of the public to comment on matters before the Council.

Missouri PERC President Steve Ahrens offered comments on the frequency of the propane sales survey. He asked PERC to consider moving as quickly as possible to

develop programs to help propane retailers compete against electricity, natural gas, and geothermal.

Old Business

Mr. Combs offered an update on the Roy W. Willis Scholarship Fund.

New Business

Mr. Combs thanked Mr. Luce for his service on the Council.

Mr. Combs suggested that the February 2019 Council meeting would likely be a conference call, and he announced that the next Council meeting would take place April 5 in Atlanta.

By unanimous consent, the Council adjourned at 2:29 PST.

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