

Propane Education & Research Council
July 10-11, 2013
New York City
MINUTES

Proceedings of July 10

Chairman Joe Armentano called the meeting to order at 1 p.m. Eastern Daylight Time.

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

Troy Andrews, Aux Sable Midstream (Tulsa, Okla.)
Michael E. Barnes, BP Energy Co. (Houston)
Robert Barry, Bergquist (Toledo, Ohio)
Sharon Beemer, DCP Midstream (Houston)
Eric Benson, J.S. West & Co. (Modesto, Calif.)
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)
Sam Hawley, Enterprise Products Operating LLC (Houston)
Gerry Misel, Georgia Gas Distributors (Sandy Springs, Ga.)
David Regan, Targa Resources (Houston)
Michael Sheehan, Sheehan's Gas Co. (Bird Island, Minn.)
John Simcox, Thompson Gas & Electric Service (Mechanicsburg, Pa.)
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
Paula Wilson, AmeriGas (Valley Forge, Pa.)

Doug Rinke (Columbia, Mo.) joined the meeting by telephone.

Election of Officers

Mr. Armentano announced the results of the election of officers to one-year terms:

Chairwoman: Ms. Wilson
Vice Chairman, Marketers: Mr. Benson
Vice Chairman, Producers: Mr. Barnes
Treasurer: Mr. Barry
Secretary: Mr. Van Buren

Mr. Armentano, who served two consecutive terms as chairman, the most allowed under Council rules, handed the chairman's gavel to Ms. Wilson.

Chairwoman's Report

Council Appointments. Ms. Wilson announced the appointment of six new members of the Council: Mr. Andrews; Gene Bissell (Gladwyne, Pa.); Steven Breckon , Lone Star NGL (Houston); Mr. Chalmers; Mr. Combs; and Mr. Williams.

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

Appointment of Advisory Committee Members. Ms. Wilson directed councilors' attention to the rosters of the Advisory Committee in the briefing materials and announced that she had appointed the members. The approved Advisory Committee members are as follows:

To the Market Outreach and Training Working Group: Chairman Scott Brockelmeyer, Ferrellgas (Missouri); Vice Chairman Doug MacMaster, Thompson Gas (Maryland); Steve Ahrens, Missouri Propane Education and Research Council (Missouri); Heather Ball, Alternative Fuels Research & Education Division, Railroad Commission (Texas); Terry Davis, County Propane Inc. (Iowa); Mark Denton, Blossman Gas (Alabama); Mark Dmochowski, Georgia Gas Distributors (Georgia); Larry Doughty, American Welding & Tank (Vermont); John Duchscherer, CHS Inc. (Minnesota); Lesley Garland, Western Propane Gas Association (California); John Jessup, North Carolina Propane Gas Association (North Carolina); Brilynn Johnson, AmeriGas (California); Christopher Kowalski, E. Osterman Inc. (Massachusetts); Ed LaCroix, BP Energy Company (Texas); Terrance LeClair, Lansing NGL Services (Oklahoma); Bruce Leonard, Targa Liquids Marketing & Trade (Texas); Kirk McCullick, Growmark Inc. (Illinois); Shane McWhorter, Sequoia Gas (California); Raymond Murray, Ray Murray Inc. (Massachusetts); Mollie O'Dell, National Propane Gas Association (Washington, D.C.); Keith Onderdonk, Suburban Propane LP (New Jersey); Tom Overbaugh, Ehrhart Propane & Oil (New York); Warren Patterson, AmeriGas (Pennsylvania); Bill Platz, Delta Liquid Energy (California); Derek Rimko, Superior Energy Systems Ltd. (Ohio); Joe Rose, Propane Gas Association of New England (New Hampshire); Scott Siebert, Aux Sable Liquid Products (Illinois); Jay Sells, AmeriGas/Metro Lawn (Florida); Jim Van Uden, R H Foster Energy Inc (Maine); Scott Vreeman, Siouxland Propane Gas Co. (Iowa); Ted West, Liberty Propane (Pennsylvania); Paula Wilson, AmeriGas (Pennsylvania)

To the Research and Technology Development Working Group: Chairman Darren Engle, Blue Star Gas (Oregon); Vice Chairman David Reynolds, Blossman Gas (Mississippi); Mike Alexander, Worthington Cylinders (Ohio); Robert Barry, Bergquist (Ohio); Robert Blackwell, Independent Propane (Colorado); Jim Coker, Metro Lawn (Tennessee); Mark Denton, Blossman Gas (Alabama); Michael DeVoe, Paraco Gas (New York); Nathan Ediger, Ferrellgas (Kansas); Michael Faivre, Burkardt's LP Gas (Illinois); Donald Fernald, Superior Energy Systems (Ohio); James Fitzhenry, Schmitt Industries Inc. (Oregon); Mark Goldsmith, Bay Gas Service (New York); Ken Green, Green's Oklahoma Liquefied Gas (Oklahoma); Roger Gruwell, AmeriGas (Iowa); Dan Kelly, Alternative Fuels Research & Education Division, Railroad Commission (Texas); Sam McTier, Propane Technologies LLC (Illinois); Steve Moore, Expo Propane Inc. (California); Todd Mouw, Roush CleanTech (Michigan); Vince Rooney, Suburban Propane LP (New Jersey); Kirk Saunders, White Mountain Oil & Propane (New Hampshire); Joe Schnichels, CHS Inc. (Minnesota); Michael Sheehan, Sheehan's Gas Co. (Minnesota); Gary Shepherd, Stanford, LP Gas (Michigan); Mike Steward, Rutherford Equipment Co. (Florida); Bill Stewart, Blue Star Gas (California); Mark Sutton, Gas Processors Association (Oklahoma); Bruce Swiecicki, National Propane Gas Association (Illinois); Don Tomiello, Targa Resources (Texas); Bill Van Hoy, Texas Propane Gas Association (Texas); Erich Wolf, Cavagna North America (Ohio); Tim Wood, Northwest Propane Inc. (Texas)

To the Safety and Training Working Group: Chairman Randy Warner, Ferrellgas (Missouri); Vice Chairman Bryan Lewis, CHS Inc. (Minnesota); Doug Auxier, Auxier Gas

Service Inc. (Ohio); Mike Caldarera, National Propane Gas Association (Washington, D.C.); Joseph Carey, PE, Suburban Propane (New York); Paula Cowart, Oklahoma LP Gas Research, Marketing, and Safety Commission (Oklahoma); Walter Cressman, Cress Gas Co. (Pennsylvania); Keith Hanchett, PERS (Utah); David Hedrick, AmeriGas Propane LP (Michigan); Jay Hilliard, Revere Gas & Appliance (Virginia); Steve Jaeger, Alternative Fuels Research & Education Division, Railroad Commission (Texas); John Kamps, Kamps Propane (California); Ray Kazakewich, RegO Products (North Carolina); Mike Konanz, Kamps Propane (California); John Kraft, Plains Marketing (South Dakota); Eric Kuster, AMC Fairmont Insurance Services (Maryland); Dave Latourell, Paraco Gas (New York); Roger Leider, Minnesota Propane Association (Minnesota); Eric Leskinen, Superior Plus Energy Services (New York); Jacque McCracken, National Propane Gas Association (Washington, D.C.); Bruce Montroy, Bergquist Inc. (Michigan); Ken Mueller, Nationwide Agri-Business Insurance (Illinois); Barry Oden, MFA Oil Co. (Missouri); Dennis Patrick, Crystal Flash Energy (Michigan); Jeff Shaffer, Shaffer's Bottled Gas Corp. (Pennsylvania); Earl Slacum, Tri Gas & Oil Co. Inc. (Maryland); Richard Steck, Delta Liquid Energy (California); Matt Terry, JP Energy Partners LP (Texas); Christopher Wagner, AmeriGas (Pennsylvania); Mike Walters, Superior Energy (Ohio); Chip Willis, Growmark FS LLC (New York)

Executive Committee. Ms. Wilson said the Executive Committee met by conference call on May 30 and met by conference call with the Budget and Finance Committee on June 13. The committee met in person on July 9 to discuss the Department of Commerce, the president and CEO's goals for 2013 and 2014, the creation of a forklift task force, the Texas partnership extension, the nomination of a new Audit Committee chairman, and PERC personnel matters.

Chairwoman's Report

Ms. Wilson offered some remarks about her priorities for the coming year, including driving demand for new propane gallons and increasing industry engagement in market development activities, and she expressed hope that the Commerce Department would soon carry out the propane price analysis that is required by law.

Treasurer's Report

Mr. Barry reviewed the 2013 budget year surplus compared with the latest forecast and 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 10 docket, with the funds returning to the general treasury (as follows).

Docket: 16598 (Industry Programs) \$2,000,000
Project: 2010 Partnership with States
Action: De-obligates the remaining balance of \$41,784 and returns these funds to the general treasury

Docket: 18131 (Industry Programs) \$356,500
Project: 2012 Marketer Technology & Sales Training
Action: De-obligates the remaining balance of \$146,693 and returns these funds to the general treasury

- Docket: 18142 (Industry Programs) \$160,000**
Project: 2012 Industry Outreach
Action: De-obligates the remaining balance of \$4,128 and returns these funds to the general treasury
- Docket: 17243 (Engine Fuel) \$340,730**
Project: Propane Autogas Maintenance & Training
Action: De-obligates the remaining balance of \$221,025 and returns these funds to the general treasury
- Docket: 15165 (Research and Development) \$107,500**
Project: Molten Carbonate Propane Fueled Fuel Cell Demonstration
Action: De-obligates the remaining balance of \$69,413 and returns these funds to the general treasury
- Docket: 15683 (Research and Development) \$50,000**
Project: Fuel Sampling and Analysis Program
Action: De-obligates the remaining balance of \$8,017 and returns these funds to the general treasury
- Docket: 17186 (Safety and Training) \$263,300**
Project: Crane Operator Training Course
Action: De-obligates the remaining balance of \$3,067 and returns these funds to the general treasury
- Docket: 17520 (Safety and Training) \$101,452**
Project: Propane Autogas Emergency Responder Training and Outreach Program
Action: De-obligates the remaining balance of \$53,584 and returns these funds to the general treasury
- Docket: 17382 (Agriculture) \$650,000**
Project: 2012 Propane FEED program
Action: De-obligates the remaining balance of \$421,991 and returns these funds to the general treasury
- Docket: 16711 (Agriculture) \$125,455**
Project: Integration of Mechanical Cultivation and Flaming for Effective Weed Control in Agriculture
Action: De-obligates the remaining balance of \$2,407 and returns these funds to the general treasury

Consent Calendar

Ms. Wilson directed councilors' attention to the consent calendar in their briefing materials.

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

- Docket: 19035**
Principal Contractor: Freightliner Custom Chassis Corp. and Thomas Built Buses Inc.

Title:	8.0L Product Launch Support
Amount Requested:	\$355,705
Action:	Approved
Docket:	19073
Principal Contractor:	Roush CleanTech
Title:	Roush CleanTech Demonstrator Loaner Vehicle Program
Amount:	\$100,000
Action:	Approved
Docket:	18269
Primary Contractor:	Ilios Dynamics Inc.
Title:	Ilios High Efficiency Water Heater Demonstration & Study
Amount Requested:	\$157,500
Action:	Approved
Docket:	19016
Primary Contractor:	Logica3
Title:	Development of Safety Meetings Materials for Propane Marketers
Amount Requested:	\$35,400
Action:	Approved
Docket:	19051
Primary Contractor:	Logica3
Title:	Propane Basics for Propane Autogas Vehicle Operators Brochure
Amount Requested:	\$31,500
Action:	Approved
Docket:	19071
Primary Contractor:	Dashe & Thomson
Title:	CETP Updates and Help Desk Support
Amount Requested:	\$87,905
Action:	Approved
Docket:	19075
Primary Contractor:	Propane Training Services
Title:	2013 Propane Emergencies Program
Amount Requested:	\$98,000
Action:	Approved
Docket:	19139
Primary Contractor:	BGT Partners
Title:	PERC Websites Consolidation
Amount Requested:	\$315,510
Action:	Approved
Docket:	19155
Primary Contractor:	None
Title:	Professional and Support Services

Amount Requested: \$237,900
Action: Approved

President's Report

PERC President and CEO Roy Willis reviewed recent successes and promising new programs in product development, industry engagement, and measurement and evaluation. Since the Council's last meeting, Mr. Willis approved one funding request under his presidential authority (as follows).

Docket: 19152
Primary Contractor: CarbonBLU
Title: Alternative Fuel Vehicle Validation Study
Amount Requested: \$10,000
Action: Approved

Portfolio and Projects Report

PERC Process Manager Grace Willis reviewed the Council's portfolio of projects and their contribution to business growth, safety and training, and industry engagement.

Chief Business Development Officer's Report

PERC Chief Business Development Officer Tucker Perkins reviewed the markets for on-road and off-road propane-fueled engines and talked about newly launched and forthcoming products.

Budget Plan for 2013

PERC Chief Financial Officer Jim Harris reported on the budget plan for 2014 and reviewed the plan's compliance with the Propane Education and Research Act of 1996.

PERC Chief Business Development Officer Tucker Perkins reviewed PERC's recent market development and technology development activities and summarized the proposed budget for those activities in 2014.

PERC Chief Information Officer Kay Howell reviewed PERC's recent achievements in industry programs, safety and training, and information technology and summarized the proposed budget for those areas in 2014.

PERC Director of Communications Gregg Walker reviewed the communications budget priorities for 2014.

Upon a motion duly made and seconded, the Council approved the publication of the 2014 budget plan for public comment before August 1, as required by law.

Communications Report

Scott Brockelmeyer, Ferrellgas (Kansas City, Mo.), reviewed some highlights of the Council's market outreach and training program from the first year of its partnership with Swanson Russell, its lead communications firm. Mr. Brockelmeyer is chairman of the Market Outreach and Training Working Group on the PERC Advisory Committee.

Mr. Walker offered a report on a recent study of the propane brand and the propane autogas brand. Kip Creel of StandPoint reviewed the research findings, and Katie Sands of Swanson Russell took part in the conversation about the implications of the research.

The Council recessed at 5:20 p.m. EDT.

Proceedings of July 11

Ms. Wilson called the meeting to order at 8:35 a.m. EDT.

Markets and Operations Reports

PERC Director of Research and Development Greg Kerr reported on development of new products for the residential and commercial markets.

Mr. Kerr introduced **Docket 18141**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket:	18141
Principal Contractor:	Southwest Gas Corp.
Title:	Residential Gas Heat Pump
Amount Requested:	\$900,000
Action:	Approved

PERC Director of Business Development and Marketing Mark Leitman offered a report on the Council's marketing and research and development projects in the agriculture market.

PERC Projects Manager Jeremy Wishart made a report on the forklift market.

Mr. Perkins made a report on the propane autogas market.

Mr. Perkins introduced **Docket 19135**. Upon a motion duly made and seconded, the Council tabled the funding request (as follows).

Docket:	19135
Principal Contractors:	TBD
Title:	Autogas Aftermarket Support Strategy
Amount Requested:	\$500,000
Action:	Tabled

Industry and Public Comments

Ms. Wilson invited industry and public comments. There were none.

Old Business

There was no old business.

New Business

Ms. Wilson directed councilors' attention to the proposed 2014 Council and Advisory Committee meeting dates and locations.

February 13: Council meeting, conference call
April 11: Council meeting, Atlanta
April 30 and May 1: Advisory Committee meeting, Las Vegas
July 16 and 17: Council meeting, Santa Fe, N.M.

October 8 and 9: Council meeting, San Antonio, Texas
October 23 and 24: Advisory Committee meeting, New Orleans
December 9 and 10: Council meeting, Sarasota, Fla.

Ms. Wilson announced that the Council will next meet in Portland, Ore., on October 9 and 10, 2013.

By unanimous consent, the Council adjourned at 11:06 a.m. EDT.