

**Propane Education & Research Council**  
**April 13, 2013**  
**Atlanta**  
**MINUTES**

Chairman Joe Armentano called the meeting to order at 8:35 a.m. Eastern 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)  
Eric Benson, J.S. West & Co. (Modesto, Calif.)  
Gregg Dighero, EnCana (Denver)  
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)  
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*  
David Regan, Targa Resources (Houston)  
Doug Rinke (Columbia, Mo.)  
Russ Rupp, Suburban Propane (Bonita Springs, Fla.)  
John Simcox, Thompson Gas & Electric Service (Mechanicsburg, Pa.)  
Thomas Van Buren, Ferrell North America (Overland Park, Kan.)  
Paula Wilson, AmeriGas (Valley Forge, Pa.) — *Vice Chairwoman, Marketers*

Mr. Armentano noted that the Council terms of Mr. McTier and Mr. Gump are expiring before the next Council meeting and that this would be their last meeting. He thanked them for their dedication and service to the industry. Noting that his own term will expire in July, Mr. Armentano thanked the Council and staff for their support, contributions, and work during his tenure.

He also noted that T.J. Rinke and Jeff White had resigned because of increased business responsibilities in their organizations, and he thanked them for their service as well.

Mr. Armentano said that the Council met in executive session March 1 and 2 for strategic planning and that no official actions were taken. He noted that PERC President and CEO Roy Willis would offer a brief summary of the strategic planning session during his President's Report.

**Approval of Minutes**

Mr. Armentano directed the councilors' attention to the minutes of the December 2013 and February 2013 Council meetings. Upon a motion duly made and seconded, the Council approved the minutes.

**Nomination of Officers**

Mr. Armentano directed the Council's attention to the officer nomination form at their tables and reviewed the rules of officer elections.

PERC President and CEO Roy Willis reviewed the rules of nominations, the requirements of being a Council member, and the procedures of electing new members.

Mr. Willis said the Gas Processors Association and the National Propane Gas Association will make Council appointments before the July Council meeting. PERC will hold the Executive Committee election before the July Council meeting and the newly elected members will take office at that meeting.

Mr. Armentano opened the nomination process.

#### **Appointment of Working Group Chairmen**

Mr. Armentano thanked Eric Kuster, Fairmont Specialty (Worton, Md.), outgoing chairman of the Safety & Training Working Group in the Advisory Committee, for his dedication and service. Mr. Armentano then asked the Council to appoint Randy Warner, Ferrellgas (Liberty, Mo.), chairman, and Bryan Lewis, CHS (Inver Grove Heights, Minn.), vice chairman of the safety group. Upon a motion duly made and seconded, the Council approved the appointments.

#### **Appointment of Advisory Committee Members**

Mr. Armentano said he had appointed the following members to the Advisory Committee: James Fitzhenry, Schmitt Industries Inc. (Portland, Ore.), Michael DeVoe, Paraco Gas (Rye Brook, N.Y.), Jim Coker, Metro Lawn (Dandridge, Tenn.), Vince Rooney, Suburban Propane (Whippany, N.J.), Dennis Patrick, Crystal Flash Energy (Grand Rapids, Mich.), David Latourell, Paraco Gas (Bay Shore, N.Y.), Joseph Carey, Suburban Propane (Albany, N.Y.), Paula Cowart, Oklahoma LP Gas Research, Marketing & Safety Commission (Oklahoma City), Christopher Wagner, AmeriGas Propane (King of Prussia, Pa.), Derek Rimko, Superior Energy (Columbia Station, Ohio), Keith Onderdonk, Suburban Propane (Whippany, N.J.), Brilynn Johnson, AmeriGas, (Lincoln, Calif.), and Lesley Garland (Western Propane Gas Association, Sacramento, Calif.).

#### **Vice Chairwoman's Report**

Ms. Wilson, vice chairwoman representing marketers, provided an update on the marketers' committee.

#### **Executive Committee**

Mr. Armentano reported that the Executive Committee met by conference call on January 24 and March 28, and in person on April 12 in Atlanta, to discuss strategic issues with the CEO.

#### **Treasurer's Report**

Mr. Misel, treasurer, provided his year-end financial report comparing 2012 actual results to the 2012 budget.

Upon a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out 27 docket, with the funds returning to the general treasury (as follows):

**Docket: 17454 (Residential and Commercial) \$169,832**  
**Project: 2012 Propane Market Research Initiative**

**Action:** De-obligates the remaining balance of \$7,005 and returns these funds to the general treasury.

**Docket:** **17465 (Residential and Commercial) \$251,000**  
**Project:** 2012 Consolidated Advisory Committee and Program Support  
**Action:** De-obligates the remaining balance of \$124,576 and returns these funds to the general treasury.

**Docket:** **18063 (Residential and Commercial) \$301,988**  
**Project:** Interim Market Outreach and Communications Program, Q2 2012  
**Action:** De-obligates the remaining balance of \$8,031 and returns these funds to the general treasury.

**Docket:** **17237 (Industry Programs) \$89,000**  
**Project:** Study of Propane Industry Impact on U.S. & State Economies  
**Action:** De-obligates the remaining balance of \$10,000 and returns these funds to the general treasury.

**Docket:** **17292 (Industry Programs) \$1,567,850**  
**Project:** 2011-2012 Partnership with States  
**Action:** De-obligates the remaining balance of \$62,560 and returns these funds to the general treasury.

**Docket:** **17453 (Industry Programs) \$1,359,000**  
**Project:** 2012 Partnership Agreement between PERC, GPA, NPGA  
**Action:** De-obligates the remaining balance of \$205,676 and returns these funds to the general treasury.

**Docket:** **18067 (Industry Programs) \$290,000**  
**Project:** 2012 Industry Communications  
**Action:** De-obligates the remaining balance of \$47,218 and returns these funds to the general treasury.

**Docket:** **17465 (Engine Fuel) \$180,000**  
**Project:** 2012 Consolidated Advisory Committee and Program Support  
**Action:** De-obligates the remaining negative balance of \$1,754 and returns these funds to the general treasury.

**Docket:** **17454 (Engine Fuel) \$84,916**  
**Project:** 2012 Propane Market Research Initiative  
**Action:** De-obligates the remaining balance of \$3,502 and returns these funds to the general treasury.

**Docket:** **17532 (Engine Fuel) \$44,125**  
**Project:** Light-Duty Autogas Vehicle Market Research  
**Action:** De-obligates the remaining balance of \$4,383 and returns these funds to the general treasury.

**Docket:** **17401 (Engine Fuel) \$59,000**  
**Project:** Life Cycle Cost Analysis of Propane and Electric Forklifts

**Action:** De-obligates the remaining balance of \$59,000 and returns these funds to the general treasury.

**Docket:** **18063 (Engine Fuel) \$151,360**

**Project:** Interim Market Outreach and Communications Program, Q2 2012

**Action:** De-obligates the remaining balance of \$8,031 and returns these funds to the general treasury.

**Docket:** **15196 (Research and Development) \$350,000**

**Project:** Propane DG Demonstration Program – Phase II

**Action:** De-obligates the remaining balance of \$310,238 and returns these funds to the general treasury.

**Docket:** **16054 (Research and Development) \$667,500**

**Project:** Heavy Duty Residential/Commercial Hybrid Generator

**Action:** De-obligates the remaining balance of \$13,026 and returns these funds to the general treasury.

**Docket:** **16303 (Research and Development) \$300,000**

**Project:** Expert Analysis of Propane's Ozone-Forming Potential

**Action:** De-obligates the remaining balance of \$2,009 and returns these funds to the general treasury.

**Docket:** **17297 (Research and Development) \$20,000**

**Project:** Master Meters to Verify Liquid Meter Performance

**Action:** De-obligates the remaining balance of \$10,500 and returns these funds to the general treasury.

**Docket:** **17371 (Research and Development) \$50,000**

**Project:** Carbon Management Information Center Consortium 2012

**Action:** De-obligates the remaining balance of \$116 and returns these funds to the general treasury.

**Docket:** **16870 (Safety and Training) \$158,526**

**Project:** Updating E-Learning Platform to Utilize Open-Source Off-the-Shelf LMS

**Action:** De-obligates the remaining balance of \$46,427 and returns these funds to the general treasury.

**Docket:** **17465 (Safety and Training) \$111,000**

**Project:** 2012 Consolidated Advisory Committee and Program Support

**Action:** De-obligates the remaining balance of \$20,560 and returns these funds to the general treasury.

**Docket:** **17454 (Safety and Training) \$84,916**

**Project:** 2012 Propane Market Research Initiative

**Action:** De-obligates the remaining balance of \$3,502 and returns these funds to the general treasury.

**Docket:** **18063 (Safety and Training) \$14,000**

**Project:** Interim Market Outreach and Communications Program, Q2 2012

**Action:** De-obligates the remaining balance of \$3,075 and returns these funds to the general treasury.

**Docket:** **17289 (Agriculture) \$135,000**  
**Project:** Agricultural Heating Systems Fuel Efficiency  
**Action:** De-obligates the remaining balance of \$51,092 and returns these funds to the general treasury.

**Docket:** **17465 (Agriculture) \$131,000**  
**Project:** 2012 Consolidated Advisory Committee and Program Support  
**Action:** De-obligates the remaining balance of \$52,188 and returns these funds to the general treasury.

**Docket:** **17454 (Agriculture) \$84,916**  
**Project:** 2012 Propane Market Research Initiative  
**Action:** De-obligates the remaining balance of \$3,502 and returns these funds to the general treasury.

**Docket:** **18063 (Agriculture) \$43,500**  
**Project:** Interim Market Outreach and Communications Program, Q2 2012  
**Action:** De-obligates the remaining balance of \$6,318 and returns these funds to the general treasury.

**Docket:** **16081 (Agriculture) \$106,000**  
**Project:** EPA and CARB Certification of Ford 3.7L Industrial Engine  
**Action:** De-obligates the remaining balance of \$106,000 and returns these funds to the general treasury.

**Docket:** **16909 (Agriculture) \$212,000**  
**Project:** Origin Engines Development of 8.0- and 10.3-Liter Off-Road Irrigation Engines  
**Action:** De-obligates the remaining balance of \$10,263 and returns these funds to the general treasury.

#### **Consent Calendar**

Mr. Armentano directed councilors' attention to the consent calendar in their briefing materials.

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

<b>Docket:</b>	<b>18256</b>
<b>Principal Contractor:</b>	N/A
<b>Short Title:</b>	Propane Farm Incentive Program — Change Order
<b>Amount Requested:</b>	<b>\$255,613</b>
<b>Action:</b>	<b>Approved</b>
<b>Docket:</b>	<b>18170</b>
<b>Principal Contractor:</b>	International Code Consultants
<b>Short Title:</b>	Providing Protection from Vehicle Impact — Change Order
<b>Amount Requested:</b>	<b>\$48,000</b>

**Action:** **Approved**

**President's Report**

Mr. Willis offered a report on discussions with the U.S. Department of Commerce to lift the restriction on PERC's authority to conduct public awareness campaigns. Funding a public campaign may require a return to an assessment rate of five-tenths of a cent per gallon of odorized propane, he said. To prepare for a possible lifting of the restriction, PERC plans to introduce before August 1, 2013, two proposed budgets, one assuming an assessment rate of five-tenths of a cent, and one with a rate of four-tenths of a cent.

Mr. Willis reported that he had approved a no-cost, time-only contract extension since the last Council meeting (as follows).

**Docket:** **18282 (No-cost change order)**  
**Principal Contractor:** ICF International  
**Short Title:** Propane Marine Market Study  
**Approved Amount:** **\$0**

**Chief Business Development Officer's Report**

Tucker Perkins, PERC's chief business development officer, introduced Bob Harbin, president of Freightliner Custom Chassis. Mr. Harbin presented an update on Freightliner's propane-autogas-fueled S2G bobtail truck and the Thomas Built bus that will be built on the same chassis.

**Propane Market Forecast**

Mike Sloan of ICF International presented a forecast for the propane market to 2020.

**Audit Committee**

Mr. Van Buren gave a report on the 2012 audit. Upon a motion duly made and seconded, the 2012 audit report was approved.

**Markets Reports**

Pat Hyland, PERC director of industry programs, introduced **Docket 19022**. Upon a motion duly noted and seconded, the funding request was approved, as follows:

**Docket:** **19022**  
**Principal Contractor:** Minnesota Propane Education Promotion Safety Council  
**Short Title:** Public Propane Refueling Safety Incentive Program  
**Amount Requested:** **\$50,000**  
**Action:** **Approved**  
**Notes:** One-year pilot program, cannot be renewed without Council approval

Bridget Scanlon, PERC director of residential and commercial programs, gave a report on PERC efforts in the housing and commercial building markets. Greg Kerr, PERC director, research and development, gave a report on commercialization of products in this sector by PERC.

Gregg Walker, PERC director of communications, reported on the propane brand study.

Stuart Flatow, PERC vice president of safety and training, gave a report on metrics for PERC's Safety & Training mission, and the work of the Council's task force on the expansion of CETP training.

#### **Industry and Public Comments**

There were no industry and public comments.

#### **Old Business**

There was no old business.

#### **New Business**

Mr. McTier said that a cabinet heater code book is now available.

Mr. Willis announced the following nominees for executive positions on the Council: Ms. Wilson, chairwoman; Mr. Benson, vice chairman, marketers; Mr. Barnes, vice chairman, producers; and Mr. Barry, treasurer. Mr. Simcox and Mr. Van Buren are seeking the secretary position. Councilors will vote by mail before the July Council meeting.

Mr. Armentano announced that the Advisory Committee will meet May 1 and 2 in Denver, and he encouraged councilors to attend. He announced that the Council will meet next in New York City on July 10 and 11.

Upon a motion duly made and seconded, the Council adjourned at 3:30 p.m. EDT.