

Propane Education & Research Council
April 5, 2018
Atlanta
MINUTES

Chairman Drew Combs called the meeting to order at 8:35 a.m. Eastern Daylight 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)
Gene Bissell (Gladwyne, Pa.)
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*
Phil Farris, Plains Marketing (Denver, N.C.)
Gary France, France Propane Service Inc. (Schofield, Wis.)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Robert Hemsworth, DCP Midstream (Houston)
Bruce Leonard, Targa (Southlake, Texas)
Joe Rose (Loudon, N.H.)
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Steven Breckon, Lone Star NGL (Houston), joined by telephone and video streaming.

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

Mr. Combs announced that the GPA Midstream Association had appointed Troy Randall, Aux Sable (Morris, Ill.), to the Council.

Chairman's Report

Approval of Minutes. Mr. Combs directed councilors' attention to the minutes of the February 2018 Council meeting. Upon a motion duly made and seconded, the Council approved the minutes.

Officer Nominations. Mr. Combs called on PERC President and CEO Tucker Perkins to review the procedure for electing officers for the upcoming term.

Executive Committee. Mr. Combs announced that two staff positions, database manager and Marketer Technology and Sales Training Program manager, had been eliminated in March. He noted that the Executive Committee had met April 4 and discussed PERC staffing, regional meetings, IT strategy, integrated marketing communications campaign, renewable propane, annual propane sales reports, and other topics.

He said the Executive Committee would meet April 6 with the officers of the National Propane Gas Association to discuss tax incentives, workforce development, and winter preparation, among other topics.

Mr. Combs announced that he had appointed the following propane professionals to the Advisory Committee:

To the Market Development and Outreach Working Group, Joanna Sams Anderson, Sams LP Gas (Orlando, Fla.), and Kent Smith, Tri Gas and Oil (Federalsburg, Md.).

To the Safety and Technical Training Working Group, Steve Clayton, Gas Equipment Co. (Earth City, Mo.), and David Grothoff, MFA Oil Co. (Columbia, Mo.).

Audit Committee Report

Mr. Bissell reviewed the April 4 meeting of the Audit Committee. He noted that PERC expected to receive a clean audit. He also observed that PERC and its auditors have concerns about the recent performance of its accounting firm, Apex.

NPGA Report

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

Industrial Truck Association Report

ITA President Brian Feehan offered an overview of trends in the lift-truck market for propane.

Portfolio Subcommittee Report

Mr. Freeman reviewed the subcommittee's evaluation of select PERC product-development projects.

Chairman Comments

Mr. Combs offered comments on Council priorities and progress.

Financial Report

PERC Senior Vice President Michael Eason reviewed financial results through 2017.

Consent Calendar

PERC Senior Vice President Bridget Kidd introduced change order to **Docket 20973**. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket:	20973 (Change Order)
Principal Contractor:	GP Strategies
Title:	2017 Marketer Technology and Sales Training
Amount Requested:	\$258,700
Action:	Approved

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins offered a report on PERC partnerships, the Advisory Committee, PERC's IT and communications strategies, the Can-Do Conference, and propane supply and demand.

Propane Supply and Demand

Debnil Chowdhury, executive director, IHS Markit, offered a report on propane production, distribution, and demand forecasts.

Market Development and Outreach Working Group Report

Mr. Leonard, interim chairman of the working group, reviewed the group's emphasis on building effective project teams and recruiting members who have expertise that can help shape MDO projects.

Research & Technology Development Working Group Report

David Reynolds, Blossman Gas (Ocean Springs, Miss.), chairman of the working group, detailed the group's priorities, including autogas engines, industry adoption of autogas delivery trucks, refueling infrastructure, small engines for outdoor power equipment, diesel displacement in material handling and elsewhere, renewable propane, propane fuel cells, and propane hybrid engine development. Mr. Combs announced that Kenton Sonnenberg, CHS (Inver Grove Heights, Minn.), would succeed Mr. Reynolds as working group chairman.

Safety & Technical Training Working Group Report

Bruce Montroy, Bergquist (Rockford, Mich.), chairman of the working group, offered a review of the group's expanded workload, its recent work, and the development and maintenance of the CETP training curriculum. He also suggested some changes to CETP certification that could benefit the industry, and he urged PERC to consider expanding its safety and training staff. Mr. Montroy noted that Jay Hilliard, Revere Gas (Hartfield, Va.), would succeed him as chairman.

PERC Vice President Stuart Flatow brought three unanimous recommendations from the working group in support of a strategic shift in workforce training that lowers barriers now and serves the next generation of propane professionals: to convene facilitated meetings for developing a workforce training road map, to fund pilot programs for using tablets in instructor-led training, and to fund facilitation and communications skills training for instructors to help them incorporate blended learning and tablets into their classes.

Business Development Report

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

Industry Relations Report

Ms. Kidd reviewed the recommendations of a project team for the 2019 Partnership with States Program. She said the project team recommended three key areas of purpose for projects eligible for Partnership with States Program funding in 2019: rebate and incentive programs, external audience training, and consumer awareness.

Upon a motion duly made and seconded, the Council resolved to phase out Partnership with States; replace it with a program that provides funding for regional marketing activities, such as the Propane Can Do That campaign; and make funding accessible to smaller states that sometimes lack the resources to take full advantage of Partnership with States as it exists now. Changes would take effect starting in 2019. Mr. Combs said a task force to be led by Mr. Rose would refine the plan within the framework set out in the motion.

Ms. Kidd introduced **Docket 21535**. Upon a motion duly made and seconded, the rebate request was approved (as follows).

Docket:	21535 (Rebate Request)
Principal Contractor:	Pacific Propane Education and Research Foundation
Title:	2018 Smart-Hose Safety System Program
Amount Requested:	\$28,200
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 timing of any changes to the Partnership with States Program.

Propane Gas Association of New England President and CEO Leslie Anderson urged the Council to embrace digital CETP certification testing.

Western Propane Gas Association President and CEO Joy Alafia encouraged the Council to consider regional challenges as they refine the Partnership with States Program.

Old Business

Mr. Williams offered a report on activities of the PERC Sales Survey Review Task Force.

Mr. Combs announced the results of the officer nominations:

Chairman: Mr. Chalmers
Vice Chairman, Marketers: Mr. Freeman
Vice Chairman, Producers: Mr. Abdullah
Treasurer: Mr. Doyle
Secretary: Mr. Dixon

New Business

Mr. Combs announced that the next Council meeting would take place July 11 and 12 in Minneapolis.

By unanimous consent, the Council adjourned at 3:38 EDT.

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