

Propane Education & Research Council
October 9-10, 2013
Portland, Ore.
MINUTES

Proceedings of October 9

Chairwoman Paula Wilson called the meeting to order at 1 p.m. Pacific Daylight Time.

Ms. Wilson, AmeriGas (Valley Forge, Pa.), welcomed the Council members in attendance:

Troy Andrews, Aux Sable Midstream (Tulsa, Okla.)
Michael E. Barnes, BP Energy Co. (Houston) — *Vice Chairman, Producers*
Robert Barry, Bergquist (Toledo, Ohio) — *Treasurer*
Eric Benson, J.S. West & Co. (Modesto, Calif.) — *Vice Chairman, Marketers*
Gene Bissell (Gladwyne, Pa.)
Steven Breckon, Lone Star NGL (Houston)
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)
David Regan, Targa Resources (Houston)
Doug Rinke (Columbia, Mo.)
Michael Sheehan, Sheehan's Gas Co. (Bird Island, Minn.)
John Simcox, Thompson Gas & Electric Service (Hagerstown, Md.)
Tom Van Buren, Ferrellgas (Overland Park, Kan.) — *Secretary*
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)

Sam Hawley, Enterprise Products Operating LLC (Houston), and Sharon Beemer, DCP Midstream (Houston), joined the meeting by telephone.

Chairwoman's Report

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

Advisory Committee Appointments: Ms. Wilson said she had appointed Brandon Wade, Wade Sales & Service (Highland, Ill.), to the Market Outreach and Training Working Group and John Ketchum, Gas Equipment Co. (Earth City, Mo.), to the Safety and Training Working Group.

Executive Committee. Ms. Wilson said the Executive Committee met with the officers of the National Propane Gas Association about the ongoing restriction of PERC activities to research and development, safety, and training. She said the Executive Committee also talked about PERC's participation in the next World LP Gas Forum, which will convene in Miami in 2014.

PERC President and CEO Roy Willis recommended changing the Council's meeting schedule in 2014 to eliminate the December Council meeting and reduce the Council's in-person meetings from four to three. Upon a motion duly made and seconded, the Council approved the change to the 2014 schedule.

Audit Committee. Mr. Van Buren reported that the committee voted to recommend amending the Audit Committee Charter. Upon a motion duly made and seconded, the Council adopted the amended Audit Committee Charter.

Ms. Wilson announced that Mr. Van Buren would be stepping down as chairman of the Audit Committee. She announced that she had appointed Mr. Andrews, Mr. Barry, Mr. Simcox, and Mr. Williams to the Audit Committee and that Mr. Simcox will serve as chairman.

Treasurer's Report

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

Docket: 17292 (Industry Programs) \$1,488,981
Project: 2011-2012 Partnership with States
Action: De-obligates the remaining balance of \$13,879 and returns these funds to the general treasury

Docket: 17262 (Research and Development) \$125,000
Project: Propane Power Washer
Action: De-obligates the remaining balance of \$125,000 and returns these funds to the general treasury

Docket: 16948 (Safety and Training) \$353,367
Project: CETP: Updated and Revised Courses and Support
Action: De-obligates the remaining balance of \$16,391 and returns these funds to the general treasury

Docket: 18202 (Safety and Training) \$14,650
Project: Customer Owned Tank Safety & Maintenance Materials
Action: De-obligates the remaining balance of \$2,250 and returns these funds to the general treasury

Docket: 17385 (Research and Development) \$251,000
Project: Commercialization of AFI's Four Row Banded/Full Flamer
Action: De-obligates the remaining balance of \$8,254 and returns these funds to the general treasury

Consent Calendar

Ms. Wilson directed councilors' attention to the consent calendar in the 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: 19169
Principal Contractor: National Alternative Fuels Training Consortium
Title: NAFTC Autogas Technician and Operator Training
Amount Requested: \$183,900
Action: Approved

Docket: 19170
Principal Contractor: Logica 3
Title: "Dispensing Propane Safely" Program: Third Edition
Amount: \$127,600
Action: Approved

Docket: 19093
Primary Contractor: Freightliner Custom Chassis Corp.
Title: Development of Freightliner MT 45/55 with GM 6.0L on Dedicated Propane Autogas
Amount Requested: \$385,000
Action: Approved

Docket: 19136
Primary Contractor: Eidson and Partners
Title: Propane Irrigation Engine Validation and Demonstration
Amount Requested: \$191,500
Action: Approved

Docket: 19179
Primary Contractor: Origin Engines
Title: Origin Engines 9.1-liter Development
Amount Requested: \$100,000
Action: Approved

Docket: 19166
Primary Contractor: PGANE
Title: Safe Use of Propane for Marine Use
Amount Requested: \$4,000
Action: Approved

President's Report

PERC President and CEO Roy Willis introduced **Docket 15938**. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 15938
Primary Contractor: Southwest Research Institute
Title: LPG Additive & Filter Effectiveness Studies
Amount Requested: \$185,100
Action: Approved

Mr. Willis introduced **Docket 17132**. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 17132
Primary Contractor: Roush CleanTech
Title: Ford F-650 6.8L 3V LPI Development
Amount Requested: **No-cost change order (releases \$250,000)**
Action: **Approved**

Mr. Willis reviewed the portfolio of PERC projects and offered a report on our progress toward the Council's goals for business growth.

Mr. Combs offered details about a newly announced grant from CHS to PERC for agricultural propane safety programs.

Mr. Willis acknowledged the years of service of two former Council members who died in 2013, Ralph Rooney and Tom Noonan. Upon a motion duly made and seconded, the Council passed a resolution expressing its gratitude to Mr. Rooney and Mr. Noonan and its sorrow at their loss.

Mr. Willis announced that PERC Director of Marketing Mark Leitman had tendered his resignation from PERC. Mr. Willis thanked Mr. Leitman for nearly 11 years of service to the Council.

Phil Squair, vice president of the National Propane Gas Association, offered a report on the association's efforts to bring about the end of the restriction on PERC activities.

Rick Roldan, president and CEO of NPGA, said the joint officers of PERC and NPGA had directed Mr. Willis and Mr. Roldan to formalize a strategy for getting the restriction lifted.

Since the Council's last meeting, Mr. Willis approved one funding request under his presidential authority (as follows).

Docket: 19227
Primary Contractor: Strategic Communications LLC
Title: Crisis Communications 2013
Amount Requested: **\$35,000**
Action: **Approved**

2014 Budget

Mr. Harris introduced the PERC budget for 2014. Upon a motion duly made and seconded, the budget was approved.

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.

Mr. Perkins introduced **Docket 19135**. Upon a motion duly made and seconded, the funding request was approved with the stipulation that the Executive Committee will see the final agreement and confirm that it is inclusive of all marketers (as follows).

Docket: 19135
Primary Contractor: TBD
Title: Autogas Aftermarket Support Strategy
Amount Requested: \$500,000
Action: Approved as a 2014 docket

Communications Report

PERC Director of Communications Gregg Walker reviewed some highlights of the industry's engagement in the Council's corporate communications program in 2013.

Markets and Operations Reports

PERC Project Manager Jesse Marcus reported on a propane sustainability program aimed at the nation's colleges and parks.

The Council recessed at 4:56 p.m. PDT.

Proceedings of October 10

Ms. Wilson called the meeting to order at 8:31 a.m. PDT.

Darren Engle, Blue Star Gas (Oregon), chairman of the PERC Research and Technology Development Working Group, reported on the portfolio of projects overseen by the working group.

PERC Senior Programs Manager Jeremy Wishart made a report on the lawn and landscape market.

Industry and Public Comments

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

Old Business

There was no old business.

New Business

Mr. Willis said PERC staff would soon release a revised 2014 meeting schedule that reflects the change approved by the Council on October 9.

Ms. Wilson announced that the Council will next meet December 10 and 11, 2013, in Amelia Island, Fla.

By unanimous consent, the Council adjourned at 9:49 a.m. PDT.