

**Propane Education & Research Council**  
**October 3-4, 2012**  
**Colorado Springs, Colo.**  
**MINUTES**

**Proceedings of October 3**

Chairman Joe Armentano called the meeting to order at 12:04 p.m. Mountain 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)  
Gregg Dighero, EnCana (Denver)  
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*  
Bill Platz, Delta Liquid Energy (Paso Robles, Calif.) — *Immediate Past President*  
David Regan, Targa Resources (Houston)  
Doug Rinke (Columbia, Mo.)  
Russ Rupp, Suburban (Bonita Springs, Fla.)  
Mike Sheehan, Sheehan's Gas (Bird Island, Minn.)  
Thomas Van Buren, Ferrell North America (Overland Park, Kan.)  
Paula Wilson, AmeriGas (Valley Forge, Pa.) — *Vice Chairwoman, Marketers*

Eric Benson, J.S. West & Co. (Modesto, Calif.), secretary, and Jeff White, Aux Sable Liquid Products (Morris, Ill.), joined the meeting by telephone.

**Chairman's Report**

**Approval of Minutes.** Mr. Armentano directed the councilors' attention to the minutes of the July 2012 Council meeting. Upon a motion duly made and seconded, the Council approved the minutes.

**Appointment of Advisory Committee Chairman.** Mr. Armentano announced that Darin Hunhoff has stepped down as chairman of the Market Outreach and Training Working Group on the PERC Advisory Committee. He nominated Scott Brockelmeyer, Ferrellgas (Kansas City, Mo.), as the new chairman of this working group. Upon a motion duly made and seconded, the Council approved the appointment.

**Appointment of Advisory Committee Members.** Mr. Armentano announced that he had appointed the following members to the Advisory Committee: James Van Uden, R.H. Foster Energy (Hampden, Maine), David Hedrick, AmeriGas Propane (Lake Orion, Mich.), and Christopher Willis, Growmark FS (Albion, N.Y.).

**Executive Committee.** Mr. Armentano reported that the Executive Committee met by conference call September 25 and met in person the morning of October 3 to discuss the president and CEO's performance goals for June 2013, personnel updates, and the

2013-2015 PERC Strategic Plan. He said the committee met October 2 with the officers of the National Propane Gas Association to discuss changes to the partnership agreement, efforts by NPGA to get the Department of Commerce to change the way it carries out the propane pricing calculation required by the Propane Education and Research Act of 1996, and the plans both organizations have for communication programs.

#### **Chairman's Report**

Mr. Armentano asked Council members to review carefully the draft 2013-2015 strategic plan and to bring their comments to the December Council meeting. He stressed the importance of getting industry reaction to the draft before the Council adopts a strategic plan at its next meeting.

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

Mr. Misel provided highlights of the 2012 budget year surplus compared with the latest forecast as well as his investment management report.

Upon a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out 22 docket, with the funds returning to the general treasury (as follows).

**Docket: 16959 (Residential and Commercial) \$3,747,000**  
**Project:** 2011 Residential Training Funding Request  
**Action:** De-obligates the remaining balance of \$3,946 and returns these funds to the general treasury

**Docket: 17136 (Residential and Commercial) \$200,000**  
**Project:** 2011 Construction Professional Media Outreach  
**Action:** De-obligates the remaining balance of \$51,359 and returns these funds to the general treasury

**Docket: 17137 (Residential and Commercial) \$500,000**  
**Project:** Construction Professional Trade Shows  
**Action:** De-obligates the remaining balance of \$100,473 and returns these funds to the general treasury

**Docket: 17212 (Residential and Commercial) \$151,000**  
**Project:** 2011 Residential and Commercial Audience Attitude Tracking  
**Action:** De-obligates the remaining balance of \$29,013 and returns these funds to the general treasury

**Docket: 17508 (Residential and Commercial) \$608,380**  
**Project:** Stopgap Communications Program for First Quarter 2012  
**Action:** De-obligates the remaining balance of \$36,925 and returns these funds to the general treasury

**Docket: 15716 (Industry Programs) \$250,000**  
**Project:** 2009 Industry Communications  
**Action:** De-obligates the remaining balance of \$27,268 and returns these funds to the general treasury

**Docket: 16946 (Industry Programs) \$290,000**  
**Project:** 2011 Industry Outreach Programs  
**Action:** De-obligates the remaining balance of \$9,233 and returns these funds to the general treasury

**Docket: 16086 (Engine Fuel) \$184,631**  
**Project:** Cab Chassis Tank Application for 6.0L Engine Certification  
**Action:** De-obligates the remaining balance of \$184,631 and returns these funds to the general treasury

**Docket: 16142 (Engine Fuel) \$245,976**  
**Project:** 6.0L W42 Custom Workhorse Chassis Liquid Propane Application  
**Action:** De-obligates the remaining balance of \$132,688 and returns these funds to the general treasury

**Docket: 16227 (Engine Fuel) \$192,760**  
**Project:** Heavy Duty OBD II 6.0L L96 Engine Demonstration  
**Action:** De-obligates the remaining balance of \$149,382 and returns these funds to the general treasury

**Docket: 17331 (Engine Fuel) \$300,000**  
**Project:** Engine Fuel Advisory Committee (EFAC) Professional Services  
**Action:** De-obligates the remaining balance of \$6 and returns these funds to the general treasury

**Docket: 17071 (Research and Development) \$297,800**  
**Project:** Testing And Analysis of the Performance of Pressure Relief Valves – Modified Test Protocol  
**Action:** De-obligates the remaining balance of \$51,587 and returns these funds to the general treasury

**Docket: 16901 (Research and Development) \$230,000**  
**Project:** 2011 RDAC Oversight and Advisory Committee Support  
**Action:** De-obligates the remaining balance of \$17,729 and returns these funds to the general treasury

**Docket: 16079 (Safety and Training) \$38,200**  
**Project:** Community Bulk Plant Outreach  
**Action:** De-obligates the remaining balance of \$1,495 and returns these funds to the general treasury

**Docket: 16871 (Safety and Training) \$332,000**  
**Project:** Bobtail Rollover Awareness and Prevention Program  
**Action:** De-obligates the remaining balance of \$45,009 and returns these funds to the general treasury

**Docket: 16938 (Safety and Training) \$156,500**  
**Project:** 2011 Safety & Training Advisory Committee Support  
**Action:** De-obligates the remaining balance of \$30,081 and returns these funds to the general treasury

**Docket:** 17264 (Safety and Training) \$42,950  
**Project:** Heavy Snowfall Brochure and E-learning Module  
**Action:** De-obligates the remaining balance of \$9,371 and returns these funds to the general treasury

**Docket:** 17508 (Safety and Training) \$14,000  
**Project:** Stopgap Communications Program for First Quarter 2012  
**Action:** De-obligates the remaining balance of \$2,612 and returns these funds to the general treasury

**Docket:** 16408 (Agriculture) \$889,016  
**Project:** Develop and Commercialize Steam Disinfestation Technologies  
**Action:** De-obligates the remaining balance of \$184,807 and returns these funds to the general treasury

**Docket:** 16902 (Agriculture) \$150,000  
**Project:** 2011 Agriculture Project/ Partner Development and Support  
**Action:** De-obligates the remaining balance of \$49,724 and returns these funds to the general treasury

**Docket:** 17508 (Agriculture) \$87,238  
**Project:** Stopgap Communications Program for First Quarter 2012  
**Action:** De-obligates the remaining balance of \$43,560 and returns these funds to the general treasury

**Docket:** 18003 (Agriculture) \$11,855  
**Project:** CAT 3406 Demonstration and Video  
**Action:** De-obligates the remaining balance of \$24 and returns these funds to the general treasury

#### **Consent Calendar**

Mr. Armentano directed councilors' attention to the consent calendar in their briefing materials and invited a motion to approve the funding requests on the consent calendar. Upon a motion duly made and seconded, the Council approved the funding requests that appear on the consent calendar (as follows).

**Docket:** 18160  
**Principal Contractor:** California Clean Air Technologies LLC  
**Title:** Performance and Durability Validation of Propane-Diesel Dual- Fuel Retrofit System  
**Amount Requested:** \$80,000  
**Action:** Approved

**Docket:** 16723 (Change Order)  
**Principal Contractors:** Powertrain Integration and CleanFuel USA  
**Title:** 8.0L Engine – Medium-Duty Truck & Bus  
**Amount:** \$356,000  
**Action:** Approved

**Docket:** 17509  
**Principal Contractor:** Kawasaki Engine & Power Product

<b>Title:</b>	2013-2014 Kawasaki Dealer Outreach and Training
<b>Amount Requested:</b>	<b>\$243,500</b>
<b>Action:</b>	<b>Approved</b>
<b>Docket:</b>	<b>18167</b>
<b>Primary Contractor:</b>	Roush CleanTech
<b>Title:</b>	Propane Autogas Fuel System Technical Training Program
<b>Amount Requested:</b>	<b>\$250,000</b>
<b>Action:</b>	<b>Approved</b>
<b>Docket:</b>	<b>18202</b>
<b>Primary Contractor:</b>	Logica3
<b>Title:</b>	Customer Owned Tank Safety & Maintenance Materials
<b>Amount Requested:</b>	<b>\$14,650</b>
<b>Action:</b>	<b>Approved</b>
<b>Docket:</b>	<b>18204</b>
<b>Primary Contractor:</b>	Dashe & Thomson
<b>Title:</b>	Autogas Dispenser Training Module
<b>Amount Requested:</b>	<b>\$122,300</b>
<b>Action:</b>	<b>Approved</b>
<b>Docket:</b>	<b>18254</b>
<b>Primary Contractor:</b>	Dashe & Thomson
<b>Title:</b>	Phase 1 CETP Update, Books 5.1, 5.2, and 8.0
<b>Amount Requested:</b>	<b>\$246,860</b>
<b>Action:</b>	<b>Approved</b>

#### **President's Report**

PERC President and CEO Roy Willis reviewed the Council's market development targets and business plans, acknowledging the Council's emphasis on developing the new propane-fueled technology that we need and selling what we have already developed.

Mr. Willis announced that he had approved **Docket 18217**, 2012 Alliance for Consumer Education Antihuffing Campaign, in the amount of \$10,000.

#### **2013-2015 Strategic Plan**

Mr. Willis introduced the draft 2013-2015 strategic plan, developed by a task force of propane industry volunteers. He noted that the staff would share the draft with key industry members in the coming weeks to solicit their comments and recommendations.

Mike Sloan, an economist with ICF International, offered an overview of the outlook for propane supply and demand in the next three years.

PERC Director of Communications Gregg Walker reviewed the way that the communications program supports the Council's strategic plan.

PERC Chief Business Development Officer Tucker Perkins reviewed the business development program and how it fits into the strategic plan.

PERC Vice President Stuart Flatow reviewed the role of the safety and training program in the Council's strategic plan.

PERC Director of Industry Programs Patrick Hyland reviewed the Council's industry engagement program.

#### **2013 Budget**

Mr. Harris introduced the PERC budget for 2013. Upon a motion duly made and seconded, the Council approved the budget.

The Council recessed at 4:53 p.m. MDT.

#### **Proceedings of October 4**

Mr. Armentano called the meeting back to order at 8:36 a.m. MDT.

#### **Markets and Operations Reports**

Mr. Perkins offered an update of PERC engine fuel programs.

Mr. Flatow offered an update on a forthcoming PERC training program for crane operators in the propane industry, some of whom may be subject to new federal training and certification requirements.

Mr. Hyland offered an update on PERC Marketer Technology and Sales Training.

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

Mr. Armentano invited industry and public comments.

Gene McPherson, McPherson Gas (Sturgis, S.D.), offered comments on propane fumigation of diesel engines, propane as a refrigerant, hydraulic fracturing, the Roush CleanTech product line, and marketer involvement in technology development programs.

#### **Old Business**

There was no old business.

#### **New Business**

There was no new business.

By unanimous consent, the Council adjourned at 9:55 a.m. MDT.