

Propane Education & Research Council
April 6-7, 2006
Atlanta, GA

MINUTES

Proceedings for April 6, 2006

Chairman John Gawronski called the meeting to order. Mr. Gawronski welcomed Council members in attendance: Doug Auxier, Curtis Donaldson, Rosie Dzanski, Ken Green, George Koloroutis, R.C. Mills, William Platz, Charles Revere, Glenn Saunders, Ray Scholes, Michael Schwartzje, Bruce Toellner, and Steve Williams. Councilors Bill McAdam and Elliott White participated on the phone.

Approval of Minutes

Mr. Gawronski directed the councilors' attention to the December 2005 and February 2006 minutes. A motion to adopt the amended minutes was made, seconded, and approved.

Chairman's Report

Mr. Gawronski announced the following advisory committee appointments: Brian Grimm, vice president of sales and marketing, Ferrellgas (Overland Park, KS), to the Consumer Education Advisory Committee; Eric Leskinen, director of safety and training, Griffith Energy (Rochester, NY), and Michael Konanz, safety and training director, Kamps Propane (Manteca, CA), to the Safety & Training Advisory Committee; and Terry Culver, general manager and chief executive officer, Consolidated Energy, LLC (Columbia, MO), to the Agriculture Advisory Committee.

Mr. Gawronski announced the executive committee met via conference call since the February conference call to discuss personnel matters and would meet the next morning to discuss additional matters.

Information Technology Oversight Task Force. Doug Auxier, chairman of the Information Technology Oversight Task Force, announced he would present a report on Friday.

Audit Committee. Ken Green, chairman of the Audit Committee, reported the committee met that morning and discussed the 2005 audit. He announced the auditors presented the audit findings and issued a clean opinion. The auditors also reported the financial condition of the Council is strong. Mr. Green noted the audit would be restated to note an additional \$1.1 million in understated net assets for 2005 which came from late-paid assessments. A motion to adopt the adjusted 2005 audit was made, seconded, and approved.

Mr. Green said the Audit Committee also discussed renewing the contract with Apex, which provides comprehensive accounting services to the Council. Mr. Green said Apex is providing a good service at a fair price. The contract is for three years, including two one-year renewal options exercisable by PERC. The first year price is \$288,000, with the last two years' contract prices being adjusted based by the consumer price index. A motion to accept the Apex contract was made, seconded, and approved.

Vice-Chairman's Report – Marketers

Vice Chairman Glenn Saunders did not have a report.

Vice-Chairman's Report – Producers

Vice Chairman David Wunch was not present and did not submit a report.

Treasurer's Report

Treasurer Michael Schwartz reported on the 2005 assessment collection versus budget, 2005 budget, and a comparison of income to budget. Mr. Schwartz reported the Council is beginning 2006 with a strong financial position, including a \$4.4 million surplus and the additional \$1.1 million in undesignated surplus earlier discussed by the Audit Committee. Mr. Schwartz noted the 2006 assessments are \$1.3 million below budget in January. A motion was made, seconded, and approved to accept the financial statements.

Assessment Task Force

Bill McAdam, chairman of the Assessment Task Force, reported the task force is working with Energy and Environmental Analysis, Inc., and Apex to assure the Council's collection processes are state of the art. Mr. McAdam said the Council's assessment collection process is good, but additional work could make it even better. Mr. McAdam said in the second quarter, the task force wants to develop a communications plan to inform the industry about the importance of the assessment.

Grants Management

Chief Financial Officer and Vice President of Administration Jim Harris announced 18 dockets were proposed to be closed out, with the money returning to the general treasury.

Docket: 11192 Grant (Consumer Education) - \$18,300,000
Grantee: Propane Education & Research Council
Project: 2004 Residential Advertising Campaign
Action: This action de-obligates the remaining balance of \$164,264 and returns these funds to the general treasury.

Docket: 11325 Grant (Consumer Education) - \$94,950
Grantee: Propane Education & Research Council
Project: Energy Guys Communications Plan
Action: This action de-obligates the remaining balance of \$67,260 and returns these funds to the general treasury.

Docket: 11449 Grant (Consumer Education) - \$159,500
Grantee: Propane Education & Research Council
Project: 2005 International Builders' Show
Action: This action de-obligates the remaining balance of \$3,203 and returns these funds to the general treasury.

Docket: 10453 Grant (Industry Programs) - \$5,000
Grantee: Los Alamos
Project: Clean Cities Presentation and Coordination
Action: This action de-obligates the remaining balance of \$1,022 and returns these funds to the general treasury.

Docket: 11217 Grant (Industry Programs) - \$288,000
Grantee: Propane Education & Research Council
Project: 2004 Conventions and Trade Shows
Action: This action de-obligates the remaining balance of \$1,475 and returns these funds to the general treasury.

Docket: 11303 Grant (Industry Programs) - \$5,000
Grantee: Propane Education & Research Council
Project: Professional Services (GAO Investigation)
Action: This action de-obligates the remaining balance of \$150 and returns these funds to the general treasury.

Docket: 11783 Grant (Industry Programs) - \$50,140
Grantee: Propane Education & Research Council
Project: Industry Programs VTR Modifications
Action: This action de-obligates the remaining balance of \$721 and returns these funds to the general treasury.

Docket: 10983 Grant (Research and Development) - \$73,000
Grantee: Propane Education & Research Council
Project: Worldwide Technology Coordination 2003
Action: This action de-obligates the remaining balance of \$1,437 and returns these funds to the general treasury.

Docket: 10987 Grant (Research and Development) - \$267,120
Grantee: Consulting Solutions
Project: Council R&D Project Oversight 2003
Action: This action de-obligates the remaining balance of \$7,212 and returns these funds to the general treasury.

Docket: 11297 Grant (Research and Development) - \$245,000
Grantee: Propane Education & Research Council
Project: Conditioning of LP Gas Hose Prior to Entering Service
Action: This action de-obligates the remaining balance of \$219 and returns these funds to the general treasury.

Docket: 10979 Grant (Research and Development) - \$95,000
Grantee: eMobility International
Project: National Parks Initiative
Action: This action de-obligates the remaining balance of \$1,227 and returns these funds to the general treasury.

Docket: 11213 Grant (Research and Development) - \$98,800
Grantee: Propane Education & Research Council
Project: Distributed Generation Project – Development and Demonstration Coordination
Action: This action de-obligates the remaining balance of \$47 and returns these funds to the general treasury.

Docket: 10980 Grant (Research and Development) - \$62,360
Grantee: Propane Vehicle Council

- Project:** Forklift Maintenance and Training Program/Propane Forklift Economic and Environmental Impact Study
Action: This action de-obligates the remaining balance of \$5,708 and returns these funds to the general treasury.
- Docket:** **11304 Grant (Safety & Training) - \$212,750**
Grantee: Propane Education & Research Council
Project: 2004 CETP Management Contract
Action: This action de-obligates the remaining balance of \$64 and returns these funds to the general treasury.
- Docket:** **11443 Grant (Safety & Training) - \$25,000**
Grantee: Propane Education & Research Council
Project: Legal Support for Consumer Safety Communications Subcommittee
Action: This action de-obligates the remaining balance of \$23 and returns these funds to the general treasury.
- Docket:** **11108 Grant (Safety & Training) - \$5,000**
Grantee: Propane Education & Research Council
Project: PERC Sponsorship and Attendance at National Propane Tank Summit
Action: This action de-obligates the remaining balance of \$1,704 and returns these funds to the general treasury.
- Docket:** **10029 Grant (Agriculture) - \$35,000**
Grantee: Texas Railroad Commission/AFRED
Project: LP Gas for Weed and Nematode Control in Agriculture
Action: This action de-obligates the remaining balance of \$12,302 and returns these funds to the general treasury.
- Docket:** **10672 Grant (Agriculture) - \$422,102**
Grantee: Dr. Tony Harrison
Project: Field-Scale Power Source Test Bed for Agriculture Applications
Action: This action de-obligates the remaining balance of \$5,001 and returns these funds to the general treasury.

Approval of the Grants Management Reconciliation Report was moved, seconded, and approved.

President's Report

President Roy Willis presented an overview of work he has done since December with National Propane Gas Association President and CEO Rick Roldan and Gas Processors Association President Mark Sutton on a partnership plan. He said the next step is to create key documentation for the partnership, including a framework that will replace the current NPGA/PERC management agreement. Mr. Willis summarized key partnership priorities in the research, safety, education, and training areas that would likely be included in the partnership plan. He said he expects to bring a memorandum of understanding to the June Council meeting, then develop an annual partnership plan that a funding request for the remainder of 2006 will be based on.

Mr. Willis updated the Council on the 2006 World LP Gas Forum and Global Technology Conference. He announced more than 80 abstracts were received for the Global Technology Conference, with topics including distributed power and fuel quality, as well as residential, commercial, and industrial use.

Mr. Willis encouraged the Council to participate in Propane Days, scheduled for May 1-3. He noted this year's Propane Days focuses on security issues, and will feature former Secretary of Homeland Security Tom Ridge as a keynote speaker.

Market Metrics Initiative

Bruce Henning, Energy and Environmental Analysis, Inc. (Arlington, VA), discussed recent trends in propane consumption, saying the number of propane customers continues to increase in both absolute numbers and market share. Propane's space heating continues to grow, but propane's market share in cooking and water heating is declining. While the stock of propane heated households continues to increase, there has been a decrease in use per customer because of an increase in building shell efficiency, replacing older furnaces with more efficient ones, and replacing old mobile homes. Mr. Henning said the propane industry must continue to add customers just to offset declines in use per customer because of new technology.

Mr. Henning discussed market trends in the manufactured household segment, saying almost all manufactured homes use electric resistance heat and propane's market share is decreasing. The manufactured housing industry is expecting growth of 10 percent a year, which provides the propane industry with the opportunity to promote its value proposition.

Mr. Henning said the energy prices during the winter of 2005 were not as high as originally feared, primarily due to warmer than normal weather. He said the expiration of price caps on electricity is likely to cause higher prices in selected states, and the one-time increase in electricity price offers opportunity for propane.

Mr. Henning summarized EEA's efforts last year to determine the return on investment for PERC's consumer education programs from 1999 until mid-2003. He said the \$22.3 million investment in consumer education programs made from mid-2003 until mid-2004 resulted in directly adding 15,110 new propane households, 11.5 million gallons per year of incremental propane sales, \$16.5 million of incremental income, and an 8.2 percent return on investment. Mr. Henning said when looking at the revenue to cost ratio of other similar generic advertising programs, PERC ranks favorably with a 7-to-1 revenue to cost ratio.

Mike Sloan, Energy and Environmental Analysis, Inc. (Arlington, VA), discussed the results of the 2004 API Survey, which impacts state rebate funding for 2006. Mr. Sloan said states in PADD III saw a substantial reduction in state funding, while states in PADD V showed the largest increases. Mr. Sloan summarized the fundamental issues of the API report using regional control totals to determine state propane sales, including how EIA data for PADD to PADD transfers include only volumes transported via pipelines, barge or tanker, but not by rail or tanker truck; how propane imports reported by EIA are not accurate by PADD; and how estimates of propane used for chemical feed stocks are too low. As a result, the regional control totals have been eliminated in favor of one national region, which Mr. Sloan said should result in fairer estimates.

Mr. Sloan said EEA recommends PERC adopt a three-year rolling average of the API survey results for allocating state rebate funding, but EEA did not have a recommendation on whether the change should be implemented in 2006 or in the future. He said the change could be applied to the 2006 state rebate allocation to smooth the impact, or the change could be implemented for the 2007 state rebate allocation using restated 2003 survey results as well as 2004 and 2005.

Industry/Public Comments

Mr. Gawronski invited public comments from the audience.

Former Councilor Walter Cressman, Cress Gas Co. (Richlandtown, PA), discussed the history of the Council's work to develop the state rebate program. He emphasized the Council's promise to the industry to use the most recent database of state propane sales available. He urged the Council to use the most recent data available for state rebate funding allocations and not use a three-year average because it would be unfair to states that have been shortchanged.

Dave Scigliano, Crystal Flash (Grand Rapids, MI), asked for clarification on the Council's assessment collection practices and challenged the Council to put a more accurate and fair system in place.

Mr. Willis directed the Council's attention to 14 letters submitted during the public comment period about the state rebate allocation methodology.

Mr. Auxier moved to pay states the increases they are due, pay states that would have received less funding based on the 2004 API Survey results what they were expecting before the results, and then start a three-year average in 2007, with states due increases going to the three-year average in 2009. The motion was seconded, but following discussion, the motion was withdrawn.

Mr. Auxier offered a motion to allow states that expected more funds in 2006 to receive the extra money, pay the full amount to states that are due increases based on the 2004 survey results, and continue using the year-to-year allocations instead of a rolling average. The motion was seconded, but following discussion, the motion was withdrawn.

Mr. Auxier offered a motion to pay states what they are due based on results of the 2004 API Survey, and if states entered into contracts assuming they would receive more funds, they could return to the Council for additional funds. The motion included using the year-to-year allocations beginning in 2007, with Mr. Auxier noting that states must be prepared for changes in funding. The motion was seconded and approved, with Mr. Green casting an opposing vote.

Consumer Education Advisory Committee

Consumer Education Advisory Committee Chairman Daryl McClendon, Ferrellgas (Hinsdale, IL), provided an update on the committee's activities and discussed the committee's priorities, including technology, consumer research, market intelligence, and marketing channels.

PERC Senior Vice President Kate Caskin summarized the first quarter's campaign activities, which began on February 19 with advertising during the Daytona 500. Ms. Caskin discussed the campaign timeline for 2006 and provided an overview of the

advertising themes. Ms. Caskin directed the Council's attention to the competitive spending analysis report, which showed that energy spending by several hundred electric, natural gas, heating oil, and propane companies increased nearly 30 percent from 2004 to 2005. Over the same time period, the propane industry's campaign increased about 44 percent. Electric utilities dominate spending, with 70 percent.

Ms. Caskin discussed homeowner outreach strategies, including placement of propane-related stories in major news media outlets to promote propane's value in cooking and outdoor living as well as utilizing surveys and spokespeople. Ms. Caskin introduced the PR Help Desk, which will help states develop comprehensive outreach programs for major industry initiatives.

Ms. Caskin presented website statistics, showing that site traffic to usepropane.com increases when advertising is on. She said almost half of visitors to usepropane.com use the Find a Propane Retailer tool.

Ms. Caskin said Harris Interactive recommends using the same goals from 2005 to measure the effectiveness of the 2006 campaign. Harris Interactive recommends staying at 61 for favorability and recommends closing the gap on the strategic message elements. The goal for usepropane.com is 323,000+ visits, and Find a Propane Retailer's goal is 167,500+ searches.

PERC Communications Manager Tracy Burleson updated the Council on homebuilder outreach efforts, including strategic sponsorships at the Hearth, Patio & Barbecue Expo and 2006 International Builders' Show and media outreach that resulted in an Associated Press story on propane's benefits throughout the home. She said upcoming outreach will focus on underground tanks and a survey by the National Association of Homebuilders. The industry is also forming partnerships with the American Institute of Architects and the Plumbing-Heating-Cooling Contractors Association. Ms. Burleson updated the Council on homebuilder market research, which is in the final stages.

Ms. Caskin introduced a change order to **Docket 11882**. Ms. Caskin said the new media monitoring dashboard would provide the industry with a sophisticated tool to enhance current activities, including receive better analysis of how propane is discussed in the media. Ms. Caskin said PERC would work with NPGA on this project to streamline efforts. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket:	11882
Applicant:	Propane Education & Research Council
Short Title:	Media Monitoring and Reporting
Original Amount	\$41,000
Approved:	
Additional Amount	\$53,355
Requested:	
Action:	Approved

Ms. Caskin introduced **Docket 11974**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket:	11974
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Applicant: Propane Education & Research Council
Short Title: 2006 Rural Hospitality Plan
Amount Requested: \$25,000
Action: Approved

Mr. Revere noted the advertising is targeting households with between \$25,000 and \$75,000 of income, and suggested a more appropriate target would be households earning between \$50,000 and \$150,000.

Mr. Gawronski asked for the Council's unanimous consent to recess for the evening. Hearing no objections, the meeting recessed at 5:40 p.m.

Proceedings for April 7, 2006

Chairman John Gawronski reconvened at 8:35 a.m. The Council was joined on April 7 by Councilor Mark Alexander.

Information Technology Oversight Task Force

Mr. Auxier updated the Council on the information technology audit, saying the task force will meet the next day to discuss the audit report and will likely meet before Pinnacle to bring additional recommendations to the Council at its June meeting. Mr. Auxier introduced **Docket 11987**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11987
Applicant: Propane Education & Research Council
Short Title: Grants Management System – Support and Modifications
Amount Requested: \$267,000
Action: Approved

Safety & Training Advisory Committee

Vice President, Safety and Training Stuart Flatow summarized current Safety & Training Advisory Committee activities and priorities and invited councilors to attend the next STAC meeting, scheduled for April 27-28.

Mr. Flatow introduced **Docket 11959**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11959
Applicant: Propane Education & Research Council
Short Title: 2006 Propane Emergencies Activities
Amount Requested: \$155,000
Action: Approved

Mr. Flatow introduced **Docket 11984**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11984
Applicant: Propane Education & Research Council
Short Title: Propane Incident Data Collection Communications Plan
Amount Requested: \$14,100

Action: Approved

Mr. Flatow introduced a change order to **Dockets 10978, 11457, 11536, 11663, and 11689**. He said the change order would provide broader industry review on new or substantially revised PERC-funded safety and training programs. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 10978
Applicant: Propane Education & Research Council
Short Title: Revisions/Update to Gas Check Inspection materials
Amount Requested: \$ 33,325
Additional Amount Requested: \$ 15,000
Action: **Approved**

Docket: 11457
Applicant: Propane Education & Research Council
Short Title: CETP Revisions – Books 5 - 7
Amount Requested: \$249,175
Additional Amount Requested: \$ 15,000
Action: **Approved**

Docket: 11536
Applicant: Propane Education & Research Council
Short Title: Development of Consumer Safety Materials (CO Brochure)
Original Amount Requested: \$354,750
Additional Amount Requested: \$ 15,000
Action: **Approved**

Docket: 11663
Applicant: Propane Education & Research Council
Short Title: Propane Emergencies
Original Amount Requested: \$174,500
Additional Amount Requested: \$ 15,000
Action: **Approved**

Docket: 11689
Applicant: Propane Education & Research Council
Short Title: Operations & Maintenance Manual
Original Amount Requested: \$123,660
Additional Amount Requested: \$ 15,000
Action: **Approved**

Michelle Bolos, NT Concepts (Vienna, VA), provided an update on the CETP E-Learning project. She said the project timeline had to be adjusted to allow the volunteers additional time to review materials and make nearly 200 changes to Book 1. She said Book 1 should now be delivered in May, and Books 2 and 3 will be delivered in September. Ms. Bolos also cautioned that the content development issues could also result in the project being \$200,000 over budget.

Mr. Flatow updated the Council on the consumer safety education campaign, noting that more than a million copies of the large tank brochure have been sold in the past six months. He also discussed the two-day consumer safety education action plan meeting, which brought together industry leaders to help establish future campaign priorities.

Agriculture Advisory Committee

Director of Agriculture Programs Mark Leitman provided an overview of recent propane industry agriculture outreach activities, including participating in the Farm Bureau Showcase, Beltwide Cotton Conference, World Ag Expo, National Ag Day, and the U.S. Department of Agriculture Outlook Forum. Mr. Leitman discussed the last round of cotton defoliation research, noting that propane-powered machines could be used to prevent sticky cotton by controlling insects such as aphids and whiteflies.

Mr. Leitman requested the release of a request for proposals to study the need and opportunity for propane-fueled incineration to properly dispose of animal mortalities. Mr. Leitman said preliminary findings indicate that incineration is the most effective means of destroying pathogens, and there is a need to identify the disposal applications that are most likely to require complete incineration and build a case for mobile propane-fueled units to perform this duty in an environmentally friendly way. The proposed study will consider the regulatory climate related to animal disposal, as well as other codes governing mobile propane-fueled equipment. A motion was made, seconded, and approved to release a request for proposals.

Mr. Leitman introduced **Docket 11958**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket:	11958
Applicant:	TEMP-AIR
Short Title:	Thermal Remediation of Insects in Grain Storage Facilities and Agriculture Structures
Amount Requested:	\$183,000
Action:	Approved

Engine Fuel Advisory Committee

Managing Director, Engine Fuel Programs Brian Feehan discussed the Engine Fuel Advisory Committee's most recent meeting, which focused on communications and marketing to get propane engine applications in front of the industry and potential customers. Mr. Feehan updated the Council on a series of meetings with key target audiences with Roush, Blue Bird, and CleanFuel USA in Texas and California. Mr. Feehan provided updates on the propane Roush/Ford F-150 project, including the new propanetruck.us website, and the Blue Bird propane bus project. He also informed the Council that the Hino truck project was on hold while Hino's North American and HINO Engines Japan decided on the truck's future. Mr. Feehan said the forklift market continues to show steady growth, and partnerships with the Industrial Truck Association,

Material Handling Equipment Distributors Association, and Distribution Business Management Association will help the propane industry expand its market share. Mr. Feehan said Dixie Chopper continues marketing efforts on its propane line and is verifying the emissions level of its propane engines.

Mr. Feehan introduced **Docket 11973**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11973
Applicant: Propane Education & Research Council
Short Title: Professional Support Services
Amount Requested: \$200,000
Action: Approved

Mr. Feehan introduced **Docket 11972**. Mr. Feehan said the propane industry needs to market existing or nearly existing products, communicating with both the propane industry and customers. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11972
Applicant: Propane Education & Research Council
Short Title: 2006 Engine Fuel Marketing Program
Amount Requested: \$330,000
Action: Approved

Mr. Feehan introduced **Docket 11971**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11971
Applicant: Propane Education & Research Council
Short Title: Engine Fuel Advisory Committee Oversight and Operating Support
Amount Requested: \$95,000
Action: Approved

Research and Development Advisory Committee

Research and Development Advisory Committee Chairman Stuart Weidie, Blossman Gas (Asheville, NC), discussed recent relief valve failures that have come to the industry's attention and the committee's idea to develop reports for the industry that would evaluate equipment for marketers. Mr. Weidie said independent laboratories and third parties could conduct testing on behalf of the propane industry to determine how equipment performs under different conditions, and then the information would be released to marketers. A motion was made, seconded, and approved to support a recommendation for RDAC to develop a third-party propane equipment comparison program.

Mr. Weidie said NPGA's Technology and Standards Committee asked RDAC to provide information on product specifications in other countries for the propane industry. Mr. Weidie said RDAC would like to create a specification comparison matrix to provide to the committee. Hearing no objections from the Council, Mr. Weidie said he anticipated RDAC developing a funding request for the June meeting.

PERC consultant Larry Osgood (Monument, CO) presented an update on distributed generation efforts. He said the goals for distributed generation efforts in 2006 include working with engine and generator manufacturers to develop better propane engines and generators, developing and implementing specific distributed generation projects, educating government agencies and manufacturers, and involving propane with the on-site power industry.

PERC Director of Research and Development Greg Kerr introduced **Docket 11956**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11956
Applicant: Propane Education & Research Council
Short Title: Distributed Generation Project Development and Implementation 2006
Amount Requested: \$217,760
Action: Approved

Mr. Kerr introduced **Docket 11957**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11957
Applicant: Propane Education & Research Council
Short Title: Study of Propane-Fired Gas Cooling Technologies
Amount Requested: \$60,343
Action: Approved

Mr. Kerr introduced a change order to **Docket 11866**. He said PERC did not receive a grant from the National Institute of Standards for Technology but RDAC felt the project justified full Council funding. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 11866
Applicant: Propane Education & Research Council
Short Title: Yanmar CHP Performance Testing & Field Evaluation
Original Amount Requested: \$ 75,000
Additional Amount Requested: \$149,122
Action: Approved

Mr. Kerr updated the Council on the outcome of a request for proposals for the development of a non-invasive level gauge for bulk tanks. Because some manufacturers have already developed and are selling these types of systems, Mr. Kerr said RDAC recommends not funding any of the proposals.

Mr. Kerr directed the Council's attention to the Propane Technology Review, a new report that summarizes the propane industry's investment in research and development projects.

Michael Ross, Southwest Research Institute (San Antonio, TX), discussed the results of emissions standards testing on propane forklifts. He said propane forklift engines should be able to meet the 2007 standards using existing control technology. Mr. Ross said high sulfur fuel affects catalyst performance, but the effects are reversible when normal sulfur levels are reintroduced. Mr. Ross recommended several areas for further study, mostly dealing with heavy ends.

Industry Programs

Mr. Willis informed the Council that a number of candidates have been interviewed for the director of industry programs position, and he hopes to fill the position in the next 30 days.

Mr. Willis introduced **Docket 11969**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11969
Applicant: Propane Education & Research Council
Short Title: 2005 Milford Therrell Award
Amount Requested: \$25,000
Action: Approved

Mr. Willis introduced **Docket 11970**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11970
Applicant: Propane Education & Research Council
Short Title: 2005 API Survey/Report
Amount Requested: \$205,000
Action: Approved

State Rebates

Mr. Willis announced 33 rebates from 18 states that replicate previously approved rebates were approved by staff. He said there was one new concept rebate for Council consideration. Upon a motion duly made and seconded, the rebate request was approved (as follows).

Docket: 11986 (Consumer Education)
Applicant: MiCAPMO
Short Title: Propane Awareness Program 2006
Amount Requested: \$13,200
Action: Approved

Old Business

There was no old business.

New Business

Mr. Willis directed the Council's attention to a memo regarding a needed change in the bylaws since the employment contract the Council signed with him changed his title to president and CEO. A motion was made, seconded, and approved to change the bylaws as follows:

Section 6.04 Powers and Duties of Officers. Subject to the control of the Council members, all officers as between themselves and the Council shall have such authority and perform such duties in the management of the Council as may be provided by the members and, to the extent not so provided, as generally pertain to their respective offices.

A. *Chairman.* The Chairman shall preside at all meetings of the Council members and, subject to the supervision of the members, shall perform all duties customary to that office and shall supervise and control all of the affairs of the Council in accordance with policies and directives approved by the members.

and

Section 6.05 President. The members of the Council shall employ a President as the chief executive officer of the Council. The President shall not be a member or an officer of the Council. The President shall have the authority to hire and supervise staff employees of the Council. The President shall have such additional authority and perform such additional duties as may be prescribed by the members.

Mr. Revere asked for clarification on **Docket 11952** and was told the Colorado energy assistance program being funded was for propane only. Mr. Revere also commented **Docket 11953** was a novel approach to assisting customers in safe installations.

Following the announcement of the next meeting, scheduled for June 15-16 in San Antonio, TX, the Council adjourned at 12:50 p.m.