

**Propane Education & Research Council  
October 5-6, 2006  
Teton Village, WY**

**MINUTES**

**Proceedings for October 5, 2006**

Chairman John Gawronski called the meeting to order. Mr. Gawronski welcomed Sam McTier, Propane Technologies LLC (Lake Forest, IL), as the newest member of the Council.

Mr. Gawronski welcomed Council members in attendance: Mark Alexander, Doug Auxier, Vincent Di Cosimo, Curtis Donaldson, Rosie Dzanski, Ken Green, George Koloroutis, David Luger, Bill McAdam, Sam McTier, R.C. Mills, Bill Platz, Glenn Saunders, Bruce Toellner, Charles Revere, Michael Schwartje, Bruce Toellner, and David Wunch. Councilors Steve Williams, Jay Weinheimer, and Ray Scholes were participating on the phone.

**Approval of Minutes**

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

**Chairman's Report**

**Advisory Committee Appointments.** Mr. Gawronski announced Randy Kuzawa, BP (Houston, TX), was appointed to serve on the Research and Development Advisory Committee. Also, Phil Applegate, Targa Resources, Inc. (Houston, TX), and Philip Squair, National Propane Gas Association (Washington, DC), were appointed to serve on the Safety & Training Advisory Committee.

**Executive Committee Report.** Mr. Gawronski said that since the last meeting, the committee approved by e-mail the president's request to use capital funds to purchase the domain [www.propane.com](http://www.propane.com). Also, the committee approved a unique rebate request granted to Missouri and several other states to use Consumer Education Partnership with States Program funding for a regional media campaign. Mr. Gawronski said the committee also received a report from the President on personnel matters. Finally, he reported that the committee had discussed a funding request to support proposed infrastructure and economic research to be performed by the Brattle Group, but took no action on the request, which he noted would be taken up by the full Council later in the meeting.

**Assessment Taskforce Report**

Mr. Gawronski called upon Bill McAdam, chairman of the Assessment Taskforce, to give a report. Mr. McAdam reported that in December the taskforce will ask for approval of policy changes to increase assessment participation. Mr. McAdam said a new confidentiality policy will be presented to the councilors for approval, which will formalize the confidentiality steps taken when collecting assessments.

Chief Financial Officer and Vice President of Administration Jim Harris said the databases have been updated and approximately 40 percent of terminals are reporting.

The taskforce will meet in December to identify where all of the terminals are located. Mr. Harris also reported that they have updated the remitter's report and are working on better identifying imports arriving from Canada.

Mr. Harris reported that they are developing or enhancing a wide range of reports, including trend reports, cross-referencing reports, a tracking system, and others. Mr. Harris said the taskforce will take up retroactive payment considerations and will research the feasibility of mandating terminal reporting. The taskforce is also developing a communications plan to educate terminal operators on what the Council is doing. This plan will be brought to the Council in December for approval.

#### **Audit Committee Report**

Mr. Gawronski called upon Ken Green, chairman of the Audit Committee, to give a report. Mr. Green said the committee met earlier that morning and approved the retention of external auditors for the 2006 audit. The committee discussed a proposal by management for a \$5 million credit line. The proposal has been tabled until December, pending review. The committee also reviewed internal accounting controls.

#### **Vice Chairman's Report – Marketers**

Mr. Gawronski called upon Vice Chairman Charles Revere to give a report. Mr. Revere did not have a report.

#### **Vice Chairman's Report – Producers**

Mr. Gawronski called upon Vice Chairman David Wunch to give a report. Mr. Wunch did not have a report.

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

Mr. Gawronski called upon Treasurer Michael Schwartje to give a report. Mr. Schwartje presented a series of PowerPoint slides documenting the 2006 assessment versus budget, 2006 budget, and a comparison of income to budget. Mr. Schwartje said PERC is continuing a trend of being 11 to 12 percent below the assessment during the first seven months of 2006. The year started out with \$5.4 million in reserves and will end the year with approximately \$4.2 million. Mr. Schwartje said the budget is in good shape. Mr. Schwartje also provided an update on managing investments and reported that PERC is performing well.

#### **Grants Management**

Mr. Harris directed the Council's attention to the grant funding compared to budget report, which was reinforced by Mr. Schwartje's previous presentation.

Mr. Harris announced 22 dockets will be closed out, with money returning to the general treasury.

**Docket:** 11186 Grant (Consumer Education) - \$480,000  
**Grantee:** Propane Education & Research Council  
**Project:** 2004 Sales Support Campaign  
**Action:** This action de-obligates the remaining balance of \$67,717 and returns these funds to the general treasury.

**Docket:** 11187 Grant (Consumer Education) - \$370,000  
**Grantee:** Propane Education & Research Council

**Project:** 2004 PROPANE Exceptional Energy Brand Visibility Program  
**Action:** This action de-obligates the remaining balance of \$75,716 and returns these funds to the general treasury.

**Docket:** **11571 Grant (Consumer Education) - \$17,370,000**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Homeowner Advertising & Outreach  
**Action:** This action de-obligates the remaining balance of \$251,480 and returns these funds to the general treasury.

**Docket:** **11576 Grant (Consumer Education) - \$625,000**  
**Grantee:** Propane Education & Research Council  
**Project:** Engine Fuel Marketing & Outreach  
**Action:** This action de-obligates the remaining balance of \$103,471 and returns these funds to the general treasury.

**Docket:** **11580 Grant (Consumer Education) - \$831,870**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Industry and Multi-Audience Communications Plan  
**Action:** This action de-obligates the remaining balance of \$23,887 and returns these funds to the general treasury.

**Docket:** **11581 Grant (Consumer Education) - \$500,000**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Consumer Education Campaign Measurement and Evaluation Program  
**Action:** This action de-obligates the remaining balance of \$136,124 and returns these funds to the general treasury.

**Docket:** **11582 Grant (Consumer Education) - \$108,500**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Consumer Education Advisory Committee  
**Action:** This action de-obligates the remaining balance of \$33,747 and returns these funds to the general treasury.

**Docket:** **11586 Grant (Consumer Education) - \$29,100**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Engine Fuel Coordinating Committee Oversight and Operating Support  
**Action:** This action de-obligates the remaining balance of \$18,276 and returns these funds to the general treasury.

**Docket:** **11182 Grant (Industry Programs) - \$1,053,055**  
**Grantee:** Propane Education & Research Council  
**Project:** 2003 Market Metrics Initiative  
**Action:** This action de-obligates the remaining balance of \$12,512 and returns these funds to the general treasury.

**Docket:** **11353 Grant (Research and Development) - \$135,000**  
**Grantee:** Propane Education & Research Council  
**Project:** Water & Solid Contaminant Control in LP Gas, Proposal

CP058426

**Action:** This action de-obligates the remaining balance of \$207 and returns these funds to the general treasury.

**Docket:** **11463 Grant (Research and Development) - \$165,375**  
**Grantee:** Propane Vehicle Council  
**Project:** FAA Vision 100 Propane Airport Development  
**Action:** This action de-obligates the remaining balance of \$28,786 and returns these funds to the general treasury.

**Docket:** **11539 Grant (Research and Development) - \$180,000**  
**Grantee:** Propane Education & Research Council  
**Project:** R&D Project Oversight  
**Action:** This action de-obligates the remaining balance of \$8,468 and returns these funds to the general treasury.

**Docket:** **111629 Grant (Research and Development) - \$120,000**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Research and Development Oversight and Advisory Committee Support  
**Action:** This action de-obligates the remaining balance of \$4,774 and returns these funds to the general treasury.

**Docket:** **11728 Grant (Research and Development) - \$67,000**  
**Grantee:** Batelle Memorial Institute  
**Project:** Study of Alternative Tank Materials  
**Action:** This action de-obligates the remaining balance of \$219 and returns these funds to the general treasury.

**Docket:** **10953 Grant (Safety & Training) - \$192,869**  
**Grantee:** Propane Education & Research Council  
**Project:** 2003 Council/NPGA Management Agreement  
**Action:** This action de-obligates the remaining balance of \$15,484 and returns these funds to the general treasury.

**Docket:** **11127 Grant (Safety & Training) - \$54,950**  
**Grantee:** Propane Education & Research Council  
**Project:** S&T On-Line Resource Support Activities  
**Action:** This action de-obligates the remaining balance of \$6,502 and returns these funds to the general treasury.

**Docket:** **11215 Grant (Safety & Training) - \$58,500**  
**Grantee:** NPGA  
**Project:** 2004 Reg. Compliance Newsletter, Guidebook and CD-ROM Training Program Update  
**Action:** This action de-obligates the remaining balance of \$15,420 and returns these funds to the general treasury.

**Docket:** **11387 Grant (Safety & Training) - \$5,000**  
**Grantee:** Propane Education & Research Council  
**Project:** 2004 NFPA 58 Pamphlets

**Action:** This action de-obligates the remaining balance of \$5,000 and returns these funds to the general treasury.

**Docket:** **11652 Grant (Safety & Training) - \$222,750**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Management Contract Activities  
**Action:** This action de-obligates the remaining balance of \$9,827 and returns these funds to the general treasury.

**Docket:** **11541 Grant (Agriculture) - \$257,945**  
**Grantee:** Propane Education & Research Council  
**Project:** PERC 2005 Ag Trade Show Communications  
**Action:** This action de-obligates the remaining balance of \$34 and returns these funds to the general treasury.

**Docket:** **11545 Grant (Agriculture) - \$136,604**  
**Grantee:** Propane Education & Research Council  
**Project:** Ag Cost Estimator Targeted Distribution to Marketers and Producers  
**Action:** This action de-obligates the remaining balance of \$60 and returns these funds to the general treasury.

**Docket:** **11651 Grant (Agriculture) - \$493,945**  
**Grantee:** Propane Education & Research Council  
**Project:** PERC 2005 Ag Communications  
**Action:** This action de-obligates the remaining balance of \$444 and returns these funds to the general treasury.

### **President's Report**

Mr. Gawronski called upon President Roy Willis to give a report. Mr. Willis congratulated the assessment task force committee for their work. Mr. Willis also announced that Kay Howell will become PERC's Chief Information Officer as of November 6. Ms. Howell was the Vice President of Information Technology at the Federation of American Scientists and has 25 years of experience.

**Partnership Agreement.** Mr. Willis discussed the partnership agreement between PERC, National Propane Gas Association (NPGA), and Gas Processors Association (GPA). He said most of the partnership activities relate to NPGA and PERC and will succeed the management agreement. Mr. Willis said there is a need to move into a comprehensive format that enables the groups to plan to work together rather than operate on a docket-by-docket basis. Mr. Willis said that 77 percent of the programs included in **Docket 12150** have already been approved in individual dockets.

Mr. Willis explained the six primary elements of the partnership agreement:

**Industry Organizations:** Mr. Willis said the agreement provides funding for NPGA and GPA to participate in PERC meetings.

**Codes and Standards:** The agreement will fund codes and standards support by NPGA to participate in PERC advisory committees, and for GPA to support the Research and Development Advisory Committee.

**Technology and Research:** The agreement will support ongoing technology initiatives of NPGA and GPA, and the officers of both groups will provide a report to the industry on their technology agendas and priorities.

**Safety & Training:** Mr. Willis said with the expected completion of work under the CETP Management Partnership by year's end, PERC will take over CETP content and product development. Regarding the impact of e-learning on CETP certification, he said the two organizations agree to evaluate it and may ask for promotion funds.

**Public Education and Public Affairs:** Mr. Willis talked about the Capital Action Plan, which over the last two years has raised the industry's profile in Washington through PERC-managed agency outreach and advertising efforts, and the NPGA-managed Propane Days events.

Mr. Willis discussed the national crisis communications component, which includes media training for PERC and NPGA leadership on how to respond to crises, as well as resources available to address non-national events.

**Industry Conferences and Conventions:** Mr. Willis said that this funding will go toward PERC's presence at the Southeastern Convention.

Mr. Willis addressed why the partnership agreement is contained in a funding request. Mr. Willis said he followed up with an attorney about the legal issues raised, and has determined that the Council's own rules require the agreement be funded through a funding request. Mr. Willis said because the partnership agreement goes through a docket process, it will be approved on an annual basis.

Mr. Koloroutis questioned the need for there to be one funding request and how the changed structure will help. Mr. Koloroutis said there is some dysfunction if the funding needs to be decided ahead of time instead of monitoring as we go.

Ms. Dzanski said she sees the partnership agreement as an important opportunity to tap into more staff from GPA and NPGA. It will add expertise on issues and opportunities, and the agreement is one way to solidify that arrangement.

Mr. Di Cosimo asked how the Council will make sure that those funds are being used as outlined because it is funded under a single docket. Mr. Willis said that under the Council's normal contract requirements, the funds must be expended in the manner in which they were granted. Mr. Willis said there is some flexibility, but if a significant change needs to be made, a change order must be approved by the Council.

Mr. Green asked if the agreement was a three-year contract. Mr. Willis said they discussed two-, three-, and five-year contracts, but irrespective of the agreement, funding must be approved annually on a docket basis.

Mr. Alexander asked what problems would be caused if NPGA's Codes and Standards Committee was moved into PERC. NPGA President Rick Roldan said there are times

when NPGA needs to do advocacy work on the state level. Mr. Roldan also said clarity is needed in the industry between what PERC does and what NPGA does.

Mr. Lugar said that this funding docket has clear expectations and deliverables, and sees no downside to approving the programs and projects in one docket. Mr. Lugar said he is not sure about the \$300,000 technology grant, but is willing to go along with it to see what the deliverable is next year and make a decision going forward.

Mr. Gawronski said PERC, NPGA, and GPA officers will meet twice a year, and this will be another form of review of the partnership agreement.

Mr. Gawronski introduced **Docket 12150**. Upon a motion duly made and seconded, the funding request was approved (as follows). Mr. Alexander and Mr. Koloroutis voted against the docket.

**Docket:** 12150  
**Applicant:** Propane Education & Research Council, National Propane Gas Association, and Gas Processor's Association  
**Short Title:** Partnership Agreement between PERC, NPGA, and GPA  
**Amount Requested:** \$1,571,000  
**Action:** Approved

**Industry/Public Comments**

Mr. Gawronski invited public comments from the audience. None was given.

**Grants Management Continued**

Mr. Willis asked for the approval of the Grants Management Reconciliation Report. Upon a motion duly made and seconded, the report was approved.

**President's Report Continued**

Mr. Green asked what the length of the partnership agreement contract was. Mr. Willis informed the Council that the intention of this agreement is ongoing, although the funding is approved annually. Mr. Willis said with proper oversight, the partnership will be kept on track.

**Budget for Calendar Year 2007**

Mr. Gawronski called on Mr. Harris, who directed the Council's attention to the proposed 2007 budget. Mr. Harris said \$103,000 was added to the Safety & Training budget. Also, \$201,000 will be reclassified to Industry Programs from the Partnership budget for trade shows and conventions. The proposed assessment collection budget for 2007 is \$45.1 million. Mr. Harris said there were no public comments.

**2007 Budget**

<b>Revenues</b>	\$ 45,109,500
<b>Expenditures</b>	
Administrative	\$ 2,858,500
State Rebates	\$ 8,900,000
Partnerships	\$ 1,601,500
Consumer Education	\$21,620,000

Engine Fuel	\$ 2,731,000
Research and Development	\$ 2,930,500
Safety & Training	\$ 3,294,000
Agriculture	\$ 1,849,000
Industry Programs	\$ 752,750
Other Expenses	\$ 635,000
General Program Costs	\$ 1,841,000

A motion to approve the 2007 budget was heard, seconded, and approved. Mr. Alexander voted against approving the budget.

### **Consumer Education Advisory Committee**

Consumer Education Advisory Committee Chairman Daryl McClendon, Ferrellgas (Hinsdale, IL), introduced PERC Senior Vice President Kate Caskin. Ms. Caskin gave an update on homeowner outreach program activities. Councilors watched the two new Energy Guys television commercials, which promote security and peace of mind, and aim to help people feel like they are in control of their decisions. Ms. Caskin said that the Energy Savings Calculator has been updated and revised to provide more accurate data. The number of visitors to [www.usepropane.com](http://www.usepropane.com) continues to increase, already surpassing this year's goal of 320,000 visitors.

Ms. Caskin reported that a study by Harris Interactive, Inc., found that the Consumer Education Partnership with States Program (CEPP) advertising investment leads to higher consumer ratings on propane favorability and higher agreement on trusting propane as an energy source. In markets implementing the CEPP, consumers give propane a favorable rating of 56, compared to other markets with no states' advertising, which had an average rating of 38.

Ms. Caskin introduced Communications Manager Tracy Burleson to update the Council on homebuilder activities. Ms. Burleson described outreach at trade shows, partnerships, and campaign updates on underground tanks, standby generators, and hydronics. Councilors watched a three-minute video on underground tank installation that was on [www.hgtvpro.com](http://www.hgtvpro.com) for six weeks, and had more than 3,000 viewers. This video is available for use by the industry. Ms. Burleson also updated the Council on the manufactured housing market.

Ms. Caskin introduced **Docket 12134**. The funding request would update values research initially conducted in 1998 by Harris Interactive. Ms. Caskin said the consumer research initiative will provide the propane industry with detailed information about energy consumers in the residential market that enables PERC and the industry to more effectively target consumers the industry has the best chance to turn into propane users. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>12134</b>
<b>Applicant:</b>	Harris Interactive, Inc.
<b>Short Title:</b>	Residential Consumer Target Audience Research
<b>Amount Requested:</b>	<b>\$440,000</b>
<b>Action:</b>	<b>Approved</b>

### **Engine Fuel Advisory Committee**

Mr. Gawronski introduced Engine Fuel Advisory Committee Chairman Tucker Perkins and Engine Fuel Managing Director Brian Feehan to update the Council on Engine Fuel Advisory Committee activities. Mr. Perkins gave an overview of how the Engine Fuel Advisory Committee functioned over the last year. Mr. Perkins said he is excited about what's in the pipeline for this mission area, especially with the potential for certain airport operations to run on propane.

Mr. Perkins introduced Mr. Feehan, who gave the councilors an update on the activities of the Engine Fuel Advisory Committee. He talked about recent developments with the propane forklifts study, generators, the Roush F-150 truck, and the Blue Bird propane-fueled school buses.

Mr. Feehan introduced **Docket 12143** to evaluate engine fuel safety materials. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12143  
**Applicant:** Propane Education & Research Council  
**Short Title:** Engine Fuel Safety Analysis  
**Amount Requested:** \$10,000  
**Action:** Approved

Mr. Feehan introduced **Docket 12144** to create a guide to assist the propane industry on identifying and the application process for obtaining government funding programs to support propane motor fuel programs. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12144  
**Applicant:** Propane Education & Research Council  
**Short Title:** Implementation Guide to Government Funding for Propane  
**Amount Requested:** \$25,000  
**Action:** Approved

Mr. Feehan introduced **Docket 12145** to educate Blue Bird distributors and propane marketers on how to market a propane-powered school bus. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12145  
**Applicant:** Propane Education & Research Council  
**Short Title:** Marketing/Outreach Program for Blue Bird School Bus  
**Amount Requested:** \$50,000  
**Action:** Approved

The Council discussed a new vehicle tax credit being considered by Congress that could be applied to propane-powered forklifts.

Mr. Gawronski announced the executive committee would meet at 7 a.m. the next morning, and if there were no objections, the Council would recess for the evening. Hearing no objections, the meeting recessed at 5:38 p.m.

## **Proceedings for October 6, 2006**

Mr. Gawronski called the meeting back to order.

### **Industry Programs**

Mr. Gawronski called upon NPGA Senior Vice President Philip Squair to introduce an Industry Programs request from NPGA to study transportation rates.

**Brattle Study.** Mr. Squair referred councilors to the supplemental materials on the study. Mr. Squair said rates have increased and it behooves our industry to understand generic issues relating to rate costs. Mr. Squair said none of this funding for the study will go to legal costs, and this study will benefit customers as it helps to determine just and reasonable rates.

Mr. Alexander asked a series of questions relating to what role LLCs and their income tax status play in determining the necessity of this study.

Mr. Roldan said that they want the LLCs to make money and expand the infrastructure for the industry, and the real issue is what is just and reasonable. Mr. Roldan said that in determining what's just and reasonable, FERC shouldn't include a tax consideration if the organization doesn't pay taxes at that level. Mr. Roldan said NPGA is currently in litigation with FERC, which is a part of the process of defending the industry's position. Mr. Roldan said we should be knowledgeable as an industry about the factors that directly affect the transport of our product.

Mr. Di Cosimo asked if FERC does a good job at analysis, why is PERC the right body to commission the study.

Mr. Roldan said that FERC is an independent agency that doesn't advocate for one side or the other. Mr. Roldan said that if someone files a rate increase and it is within FERC's parameters, it will go through unless someone protests it.

Mr. Schwartje said the purpose of this docket is not to argue that the rates are too high, but that there needs to be an understanding of the costs of propane, especially given that transport costs has increased 98 percent in two years.

Mr. Mills said that because the costs increased almost 100 percent, he would be in favor of looking into why that happened, especially if that doesn't put PERC in jeopardy.

Mr. Scholes said there are two things in the proposal: 1. to create a methodology in determining rates for members to analyze and 2. to determine whether rates are just and reasonable. Mr. Scholes said it is okay if PERC creates the information source, but shouldn't say what is just and reasonable.

Mr. Platz asked if this docket includes preparation of testimony, is this advocacy work. Mr. Squair said that this part of the docket only refers to the actual preparation work, and does not include any legal fees.

Mr. Luger said that it is appropriate for this body to take on this study, because the ultimate cost has a direct impact on the future of PERC.

Mr. Gawronski introduced **Docket 12147**. Upon a motion duly made and seconded, the funding request was approved (as follows). Mr. Di Cosimo and Mr. Scholes voted against the docket.

**Docket:** 12147  
**Applicant:** Propane Education & Research Council  
**Short Title:** Impacts on Consumers from Transportation Rate Changes  
**Amount Requested:** \$500,000  
**Action:** Approved

Mr. Willis requested a no-cost change order to **Docket 10125** that would provide funds to acquire, conserve, and display industry artifacts found by Dr. Walter Snelling. Upon a motion duly made and seconded, the no-cost change order was approved.

Director of Industry Programs Martha Evans gave councilors an update on industry programs, which included the biweekly States News Bulletin, Consumer Education Partnership with States Program, and the PR Helpdesk.

Ms. Evans introduced **Docket 12043**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12043  
**Applicant:** Western PGA  
**Short Title:** Emergency Response Program – Training Prop Repair  
**Amount Requested:** \$4,902.51  
**Action:** Approved

Ms. Evans introduced **Docket 12126**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12126  
**Applicant:** Texas PEMF  
**Short Title:** "Propane Exceptional Energy" Bulk Storage Tank Outdoor Advertising  
**Amount Requested:** \$47,300  
**Action:** Approved

Ms. Evans asked the Council to award this year's Milford Therrell Award to the Missouri Propane Gas Association for its 2005-2006 media campaign. Upon a motion duly made and seconded, the award was approved.

Ms. Evans directed the Council's attention to the 130 requests from states for replicated rebates that were approved by staff. Upon a motion duly made and seconded, the replicated rebates were approved.

#### **Agriculture Advisory Committee**

Mr. Gawronski introduced Robert Jacobs, chairman of the Agriculture Advisory Committee, and Director of Agriculture Programs Mark Leitman.

Mr. Jacobs informed the Council of PERC's involvement in the Global Technology Conference, which will feature four PERC-supported agricultural technologies, in the areas of: poultry house sanitization, pest remediation, cotton defoliation, and steam weed control.

Mr. Leitman discussed the soil sanitation project and other projects that the committee is still evaluating and will be brought to the Council at December's meeting. Also, a report on communication outreach will be presented in December.

Mr. Leitman updated the Council on the John Deere project, which has been delayed pending a decision from upper management. Mr. Leitman said the delays are not related to the propane technology, rather the machine has experienced other technical challenges that have impacted the marketing plan for the entire program.

Mr. Leitman requested a change order to **Docket 11321** for an additional \$15,320. He also explained other changes to the scope and timeline of this previously approved docket. Upon a motion duly made and seconded, the change order was approved (as follows).

<b>Docket:</b>	<b>11321</b>
<b>Applicant:</b>	Illinois State University
<b>Short Title:</b>	Development and Evaluation of a Propane-Fueled, Production-Scale, On-Site Thermal Destruction System
<b>Original Amount</b>	<b>\$470,000</b>
<b>Approved:</b>	
<b>Additional Amount Requested:</b>	<b>\$15,320</b>
<b>Action:</b>	<b>Approved</b>

Mr. Leitman introduced **Docket 12138** to fund demonstrations at events such as farm shows and conventions. These activities demonstrate new PERC-supported propane equipment and technologies in front of farmers and other partners. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b><u>12138</u></b>
<b>Applicant:</b>	Osborn & Barr Communications
<b>Short Title:</b>	PERC Agricultural Research and Technology Demonstrations and Validation Plan
<b>Amount Requested:</b>	<b>\$345,000</b>
<b>Action:</b>	<b>Approved</b>

Mr. Leitman introduced **Docket 12139** to shoot footage of agriculture technology at the Global Technology Conference and air on RFD-TV. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b><u>12139</u></b>
<b>Applicant:</b>	Osborn & Barr Communications
<b>Short Title:</b>	RFD-TV Broadcast focusing on Global Technology Conference
<b>Amount Requested:</b>	<b>\$30,000</b>

**Action:** **Approved**

**Research and Development Advisory Committee**

Mr. Gawronski introduced Director of Research and Development Greg Kerr.

Mr. Kerr explained the Research and Development Advisory Committee's five goals: 1. expand market applications of propane as a fuel, 2. increase off-season load, 3. increase productivity and operating efficiency, 4. improve service reliability, and 5. improve safety.

Mr. Kerr said the committee was looking into building a propane technical research library, possibly online, and establishing a technology center.

Mr. Kerr introduced **Docket 12070**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** **12070**  
**Applicant:** New West Technologies  
**Short Title:** Investigation of Propane Heaters for Northern Climate School Bus Applications  
**Amount Requested:** **\$45,000**  
**Action:** **Approved**

Mr. Kerr introduced **Docket 12074**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** **12074**  
**Applicant:** Propane Education & Research Council  
**Short Title:** Propane/Solar Hybrid Project for Urban/Municipal Applications  
**Amount Requested:** **\$65,000**  
**Action:** **Approved**

Mr. Kerr introduced **Docket 12096**. Upon a motion duly made and seconded, the funding request was approved (as follows), removing the market study.

**Docket:** **12096**  
**Applicant:** Battelle  
**Short Title:** Alternative Materials for Underground Propane Storage Tank - Phase 2  
**Amount Requested:** **\$192,000**  
**Action:** **Approved**

Mr. Kerr introduced **Docket 12100** for project management for the industry component system testing program. Upon a motion duly made and seconded, the funding request was approved (as follows). Mr. Auxier voted against the docket.

**Docket:** **12100**  
**Applicant:** Propane Education & Research Council  
**Short Title:** Propane Industry Component/System Testing Program Project Management

**Amount Requested:** \$100,000  
**Action:** Approved

Mr. Kerr introduced **Docket 12117**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12117  
**Applicant:** Southwest Research Institute  
**Short Title:** Sensors for LPG Contaminants Phase I: Gas Detection Tube Proof of Concept  
**Amount Requested:** \$66,533  
**Action:** Approved

Mr. Kerr requested a change order to **Docket 11110** for an additional \$35,600. Upon a motion duly made and seconded, the change order was approved (as follows).

**Docket:** 11110  
**Applicant:** DeLima Associates  
**Short Title:** High Efficiency Integrated Space & Water Heating system for Manufactured Housing  
**Original Amount** \$300,000  
**Approved:**  
**Additional Amount** \$35,600  
**Requested:**  
**Action:** Approved

Mr. Kerr introduced **Docket 12148**. Mr. Alexander requested that the original amount of \$466,500 be reduced by \$42,500 because the approved Partnership Agreement will include NPGA's management fees. The Council requested that RDAC investigate other testing methods and come back with a change order at the December meeting.

Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12148  
**Applicant:** NPGA  
**Short Title:** Evaluating Possible Extension of Propane Cargo Tank Inspection Interval -- Phase 2  
**Amount Requested:** \$424,000  
**Action:** Approved

### **Safety & Training Advisory Committee**

Mr. Gawronski introduced Vice President of Safety & Training Stuart Flatow and STAC Chairman Mike Walters, AmeriGas (Westlake, OH). Mr. Walters unveiled the first installment of the Certified Employee Training Program (CETP) E-Learning DVDs, Basic Principles and Practices. Mr. Walters said a lot of effort has been put into these DVDs, and he thanked those involved in creating the state-of-the-art product.

Mr. Flatow said there will be articles and advertisements in the November issues of LP Gas and BP News, and a brochure will be mailed to state executives, presidents,

councils, and other interested people. Mr. Flatow gave a progress and budget report on the E-Learning project. The first installment of the CETP E-Learning DVDs is scheduled to be in the propane catalog for purchase this month, the second installment is scheduled for completion in November, and the third installment is scheduled for completion in December.

Mr. Flatow asked councilors to accept the Consumer Safety Report that was developed from a two-day industry leadership meeting in March. Upon a motion duly made and seconded, the report was accepted.

Mr. Flatow distributed the Spanish translation of the Safe Grilling Bill Stuffer. Mr. Flatow said two other materials have been translated into Spanish and should be available in the Propane Catalog by the end of October.

Mr. Flatow introduced **Docket 12080**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b><u>12080</u></b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Development of Consumer Emergency Fact Sheets
<b>Amount Requested:</b>	<b>\$227,000</b>
<b>Action:</b>	<b>Approved</b>

Mr. Flatow introduced **Docket 12081**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b><u>12081</u></b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Research Project: Do-It-Yourselfer Safety Research
<b>Amount Requested:</b>	<b>\$86,900</b>
<b>Action:</b>	<b>Approved</b>

Mr. Flatow requested a no-cost change order to **Docket 11562** to add a tracking tool to [www.propanesaftey.com](http://www.propanesaftey.com). Upon a motion duly made and seconded, the no-cost change order was approved.

Mr. Flatow requested a no-cost change order to **Docket 12052** to develop a white paper on composite cylinders as an alternative initial program element. Upon a motion duly made and seconded, the no-cost change order was approved.

### **Old Business**

There was no old business.

### **New Business**

Mr. Auxier said that he thought the Advanced Strategy Lab held for Council members on Oct. 3-4 was very good, and asked the Executive Committee to look into expanding the group to include smaller marketers and others, to get a better cross-section of the industry. Mr. Willis said he will explore different options for an industry survey and will bring a plan to the Council in December.

Following the announcement of the next meeting, scheduled for December 7-8 in Houston, TX, the meeting adjourned at 12 pm.