

**Propane Education & Research Council**  
**April 13, 2007**  
**Atlanta, GA**

**MINUTES**

**Proceedings for April 13, 2007**

Chairman John Gawronski called the meeting to order. Mr. Gawronski welcomed Council members in attendance: Doug Auxier, Vincent Di Cosimo, Curtis Donaldson, Ken Green, George Koloroutis, David Lugar, Sam McTier, R.C. Mills, Bill Platz, Charles Revere, Glenn Saunders, Ray Scholes, Mike Schwartzje, Bruce Toellner, Jay Weinheimer, Steve Williams, and David Wunch. Councilors Mark Alexander, Rosie Dzanski, and Bill McAdam participated by phone.

**Approval of Minutes**

Mr. Gawronski directed the councilors' attention to the December 2006 and February 2007 minutes. A motion to adopt the minutes was made, seconded, and approved.

**Chairman's Report**

Mr. Gawronski announced the following advisory committee appointments: Mike Caldarera, National Propane Gas Association (Washington, DC), and Randy Warner, Ferrellgas (Liberty, MO) to the Safety & Training Advisory Committee; and Tod Griffin, Kentucky Propane Gas Association (Frankfurt, KY) to the Agriculture Advisory Committee. Mr. Gawronski said he appointed Bill McAdam to the Budget and Finance Committee.

Mr. Gawronski announced the executive committee will meet tomorrow.

Mr. Gawronski announced that nominations will be accepted for Council leadership positions. PERC President and CEO Roy Willis reported on nomination procedures and rules.

**Strategic Plan Task Force.** Michael Schwartzje, chairman of the Strategic Plan Task Force, announced that the task force held a meeting in Washington at the end of March, and included about 40 attendees from PERC, the National Propane Gas Association (NPGA), the Gas Processors Association (GPA), state associations, and marketers from around the country. Mr. Schwartzje said they gathered information on what direction the industry wants to move in, and they are working on a first draft of the results. Mr. Schwartzje said they hope to have a second meeting in May, and the results of both sessions would shape a strategy to be presented to the Council in July.

**Assessment Collections Task Force.** Bill McAdam, chairman of the Assessment Collections Task Force, gave an update on task force efforts to increase collections. He said the task force has been working on updating the master terminal operating listing, spending more time on identifying Canadian imports as well as reviewing the current remitter list for those companies not on the list that should potentially be remitting. New assessment guidelines are near completion, a help desk has been set up, and an assessment website should be ready at the end of April 2007.

Mr. McAdam said the task force is moving forward in education and communications with a press release, placement of stories in trade publications, and direct mail to marketers and remitters. The task force will report back at the July Council meeting.

PERC's Chief Financial Officer and Vice President of Administration Jim Harris said that PERC has received a half million dollars in 2006 that can be linked to the task force's efforts. He said PERC expects to be ahead of its added collection goal in 2007.

**Audit Committee.** Ken Green, chairman of the Audit Committee, reported that the committee met early that morning and discussed the 2006 audit results. Mr. Green said they received a clean opinion on the audit, and the financial condition of the Council is strong. He said it has net assets of \$22.9 million, with \$17.8 million designated for projects and \$5.1 million is not yet committed. Total assessments for the year were \$44.7 million, a 3 percent decline from 2005. Mr. Green said the weather mainly attributed to the decrease in revenue. He said total administrative expenses were \$3.5 million, and \$1 million below the PERA limit. A motion was made to accept the 2006 audited budget, and was seconded. The Council approved that the 2006 draft audit report be issued in final form.

Mr. Green said the committee discussed making changes to PERC's policies and procedures related to internal controls, as a part of the employee manual. The particular focus of the committee is related to employee conduct, expense reimbursements, and delegation of authority. Once the review is completed, the committee's recommendations for changing the employee manual will be forwarded to the Executive Committee for approval.

Mr. Green asked the Council to approve a Request for Proposals (RFP) to look at accounting firms for audits in 2007-2009. He said the committee is happy with the firm PERC currently uses, but wanted to perform its periodic due diligence and compare to other firms. After a motion duly made and seconded, the Council approved the RFP.

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

Vice Chairman Charles Revere did not have a report.

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

Vice Chairman David Wunch announced that a memorandum of understanding of partnership has been approved by the Gas Processors Association and returned to PERC.

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

Treasurer Michael Schwartje reported on the 2006 budget, the 2006 assessment collection versus budget, and a comparison of income to budget. Mr. Schwartje reported the Council is beginning 2007 with a strong financial position, including a \$5.1 million surplus. Mr. Schwartje noted the 2007 assessments are already \$500,000 above budget on assessments. He also discussed the favorable performance of PERC's investments in 2007.

Mr. Gawronski thanked Mr. Schwartje for two years of service as treasurer.

## **Grants Management**

Chief Financial Officer and Vice President of Administration Jim Harris announced 11 dockets were proposed to be closed, with the money returning to the general treasury.

- Docket:** 11974 Grant (Consumer Education) - \$25,000  
**Grantee:** Propane Education & Research Council  
**Project:** 2006 Rural Hospitality Plan  
**Action:** This action de-obligates the remaining balance of \$596 and returns these funds to the general treasury.
- Docket:** 11987 Grant (Engine Fuels) - \$17,039  
**Grantee:** Propane Education & Research Council  
**Project:** Grants Management System - Support and Modifications  
**Action:** This action de-obligates the remaining balance of \$14,578 and returns these funds to the general treasury.
- Docket:** 10951 Grant (Research and Development) - \$1,399,990  
**Grantee:** Southwest Research Institute  
**Project:** Investigation of LPG Fuel System Technologies and Fuel Composition Effects on Emissions  
**Action:** This action de-obligates the remaining balance of \$61,728 and returns these funds to the general treasury.
- Docket:** 11071 Grant (Research and Development) - \$94,166  
**Grantee:** Propane Education & Research Council  
**Project:** Propane Oriented Issues for Fuel Cell Assessment  
**Action:** This action de-obligates the remaining balance of \$6,672 and returns these funds to the general treasury.
- Docket:** 11447 Grant (Research and Development) - \$65,500  
**Grantee:** Propane Education & Research Council  
**Project:** Technical Communications  
**Action:** This action de-obligates the remaining balance of \$7,000 and returns these funds to the general treasury.
- Docket:** 11727 Grant (Research and Development) - \$36,119  
**Grantee:** NPGA  
**Project:** Cylinder Vaporizations Rates Comparison  
**Action:** This action de-obligates the remaining balance of \$9,000 and returns these funds to the general treasury.
- Docket:** 10843 Grant (Safety and Training) - \$238,063  
**Grantee:** NPGA  
**Project:** Fire Safety Analysis/Incident Response Plan Guidelines Manual  
**Action:** This action de-obligates the remaining balance of \$1,673 and returns these funds to the general treasury.
- Docket:** 11536 Grant (Safety and Training) - \$369,750  
**Grantee:** Propane Education & Research Council  
**Project:** Development of Consumer Safety Education Campaign Materials (Consumer safety Education Campaign Phase 2)

**Action:** This action de-obligates the remaining balance of \$7,403 and returns these funds to the general treasury.

**Docket:** **11780 Grant (Safety and Training) - \$11,750**  
**Grantee:** Propane Education & Research Council  
**Project:** 2005 Consumer Safety Education Outreach  
**Action:** This action de-obligates the remaining balance of \$355 and returns these funds to the general treasury.

**Docket:** **11987 Grant (Safety and Training) - \$21,922**  
**Grantee:** Propane Education & Research Council  
**Project:** Grants Management System - Support and Modifications  
**Action:** This action de-obligates the remaining balance of \$6,922 and returns these funds to the general treasury.

**Docket:** **11648 Grant (Agriculture) - \$7,415**  
**Grantee:** Propane Education & Research Council  
**Project:** Information Technology: Ongoing Maintenance 2005  
**Action:** This action de-obligates the remaining balance of \$1,915 and returns these funds to the general treasury.

A motion to accept the Grants Reconciliation Report was moved, seconded, and approved.

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

President and CEO Roy Willis thanked Ken Green for his work as Audit Committee Chairman, and for his leadership roles on the Council. Mr. Willis said this is PERC's ninth consecutive clean audit.

Mr. Willis said that the Council has already heard that GPA approved the partnership agreement. He reported that he met with GPA in March and is looking forward to a higher level of collaboration. Mr. Willis said in regards to PERC's other partner, NPGA, he is impressed by the level of work that is getting done jointly by the two staffs, working closely on Propane Days and a propane brochure for policy makers. Mr. Willis encouraged councilors to attend Propane Days in June.

Mr. Willis reported on communications with Underwriters Laboratories (UL), who said they will not support a consumer safety campaign in respect to cabinet heaters. Although UL has stopped work, it doesn't necessarily mean PERC will abandon its work with cabinet heaters.

Mr. Willis discussed propane's potential in market development and said the industry can rebuild the motor fuel market to one billion gallons a year. He said that PERC has been working with the Department of Energy and requested funding to support the development of propane engines.

Mr. Willis gave councilors an overview of mission area reports. He said a funding request will be presented to research propane's effects on climate change and greenhouse gases. Mr. Willis said councilors will receive a detailed report on the return on investment for PERC's consumer education programs in the residential market.

### **Information Technology**

Chief Information Officer Kay Howell reported on the state of PERC's technology systems. She said the major applications are solid and data is safe and secure. Ms. Howell advised councilors of a plan to move to a more adaptive and flexible IT architecture that will improve agility, reduce costs and risk, and improve flexibility to acquire the best services. Ms. Howell reported on PERC's two-year IT priorities and goals, describing plans for PERC's different technology pieces. She said she will work on a longer-term plan to be presented to the Council later this year. Ms. Howell said she wants to align PERC's IT with the upcoming strategic plan to enable mission areas to accomplish their goals. She also said she wants to set up a metrics system to measure and report on the performance of PERC's information technology investments.

### **Industry/Public Comments**

Mr. Gawronski invited public comments from the audience, and there were none.

### **Consumer Education Advisory Committee**

Consumer Education Advisory Committee (CEAC) Chairman Daryl McClendon, Ferrellgas (Hinsdale, IL), gave a report on CEAC's activities. He said Harris Interactive will report on phase one of research into how homeowners and builders make energy decisions, and this information will help design future campaigns. Mr. McClendon said Mike Sloan of Energy and Environmental Analysis, Inc., an ICF International Company (Arlington, VA), will report on the new construction market and the results of the latest return on investment calculation.

Mr. McClendon reported that concerns were raised that the Energy Savings Calculator (ESC) was not effective in some regions of the country. He said CEAC reviewed the data, and determined that because of the volatility of energy prices, the calculator was not serving its intended purpose. He reported the calculator has been removed from usepropane.com and propanecouncil.org. Mr. McClendon said all of the state associations and marketers that link to the calculator have been notified of this change, and they can choose whether they want to continue linking to the calculator from their sites. He said the Consumer Inquiry Task Force is working to create a non-price comparative tool online that sells propane's value. He said they hope to have that completed by the end of the year and CEAC will come to the Council with a funding request.

### **Market Metrics Initiative**

Mr. McClendon introduced Mike Sloan of ICF International, which was formerly EEA, Inc. Mr. Sloan reported on market conditions and propane market share in the broad residential site-built market and in the new construction market. Mr. Sloan said that there was a significant increase in propane site-built households between 2001 and 2005, and their analysis suggests that PERC can take credit for a significant portion of that growth. Mr. Sloan reported that EEA estimated that the return on PERC's investment (ROI) of \$27.2 million between mid-2004 and mid-2005 was about 7.8 percent. He said EEA estimates that the return on the total PERC investment of \$72.8 million from mid-2001 to mid-2005 was between 6 and 11 percent, with an average estimate of 8.7 percent.

Mr. Sloan reported that there has been a substantial and continual decline of propane sales since 2003, totaling about 14 percent. He said EEA is predicting growth in 2007 due to a return to normal weather. Mr. Sloan described the market drivers, which

included substantial price increases, improvements in energy efficiencies and technologies, the collapse of the manufactured housing market and slowdown in new residential construction, and warmer than normal weather. Mr. Sloan said the propane industry cannot address many of these factors, which will drive gallon sales down. However, he said PERC and the industry can influence the marketing efforts to help bring in new customers and influence customer choice.

Mr. Sloan reported that there has been a steady increase in the overall North American propane market share in site-built houses, and every year since 1997 the overall market share has increased in home heating, water heating, and cooking. Mr. Sloan said the propane market share in the residential construction heating market has increased from 5.4 percent in 2002 to 6.4 percent in 2005 during the time PERC programs began. He said during this time, both natural gas and fuel oil experienced significant declines in market share. Mr. Sloan said that the propane new construction market share experienced the largest growth in New England and the Mid Atlantic.

Mr. Sloan reported that since 2003, the number of new propane households has been growing faster in the urban/suburban market than in the rural market. He also reported that propane is attracting more premium homebuyers. New propane homes sell for higher prices and are larger, on average, compared to electricity and natural gas. In markets outside of metropolitan areas, 26 percent of propane homes cost \$400,000 or more, and in metropolitan areas, 41 percent of propane homes cost \$400,000 or more in 2005.

Mr. Sloan said that \$72.8 million was invested into the site-built residential market from mid-2001 to mid-2005, and a significant growth in the propane market share was due to this investment. Mr. Sloan discussed the methodology that was used to estimate the latest PERC ROI. Mr. Sloan said that between mid-2004 and mid-2005, EEA attributes 15,800 new site-built houses to PERC programs, which is \$12 million a year in incremental propane sales, and \$22 million of revenue. He said that generates \$30 million bottom-line income to the industry. During the entire five-year analysis, from mid-2001 to mid-2005, Mr. Sloan reported an increase of 32,000 to 62,000 new propane customers as a result of PERC's programs, with \$68 million to \$118 million bottom-line income to the industry, which is a 6 to 11 percent return on investment. He said this corresponds to a ROI of about 8.7 percent during this time period.

Mr. Sloan directed the councilors to look at a slide that compares PERC with other check-off program advertising campaigns. He said the PERC program is at the top end of what other check-off programs have achieved. Mr. Sloan said these estimates are conservative on how new propane homes are attributable to PERC programs. He said the impacts on the market are real and PERC programs can take significant credit for that.

### **Campaign Metrics and Goals**

Mr. McClendon introduced Jean Statler and Scott Hawkins of Harris Interactive (VA). Ms. Statler gave councilors an update on the VISTA values research that was conducted to better understand the energy decision-making process and what differentiates propane from electricity. She said the first phase of this research focused on qualitative research and included two-hour one-on-one interviews with builders and homeowners who had renovated their home or built a custom home in the last two years.

Ms. Statler said the interviews confirmed that since 1988, clean, efficient, and reliable continue to be the key strategic messages for propane. She reported what is new is that good value is a keystone of the energy decision-making process. Ms. Statler said key learnings include: propane is considered a premium fuel; the importance a builder/renovator plays in the energy decisions; higher-end homes and new construction are increasingly choosing propane for cooktops and fireplaces; and electricity has a hard time communicating emotional connections compared to propane.

Ms. Statler discussed the strategic imperatives, and said the industry should increase outreach to builders/renovators, focusing on customer relationships, and communicating comfort and long-term value. Ms. Statler said the industry should continue some level of broad-based branding effort with consumers to maintain awareness and target propane zip codes. Also, she said to look for ways to translate the builder/renovator's positive propane experience to those without a propane experience.

### **Safety and Training Advisory Committee**

Safety & Training Advisory Committee (STAC) Chairman Mike Walters, Amerigas (Westlake, OH), gave a report on STAC's initiatives. Vice President, Safety and Training Stuart Flatow reported that STAC met a few weeks ago and he recognized the volunteers on the committee. Mr. Flatow reported on how states have been using the Propane Emergencies Program. Mr. Flatow directed councilors' attention to a packet containing new safety and training materials that are now available to the industry, including Propane Emergencies, GAS Check™, the updated Operations and Maintenance Manual, Container Shut-off Valve label, and Carbon Monoxide brochure.

Mr. Flatow gave a progress and budget report on the CETP E-Learning program. He said several hundred DVDs have already been distributed and feedback has been positive. He said the next two books, *Delivery Basics & Cylinder Truck Delivery* and *Bobtail Delivery*, will be available this quarter. Mr. Flatow announced that there will be two CETP seminars at the Southeastern Convention and live demonstrations at PERC's booth, as well as educational opportunities at the Midwest and Western conventions.

Mr. Flatow requested permission from the Council to issue a request for proposals (RFP) to develop new edition textbooks for CETP courses *Basic Principles & Practices*, *Delivery Basics & Cylinder Delivery*, and *Bobtail Delivery* based on the new CETP E-Learning courses. Upon a motion made and seconded, the RFP was approved.

Mr. Flatow introduced **Docket 12276**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>12276</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Consumer Safety Education Campaign Support
<b>Amount Requested:</b>	<b>\$84,500</b>
<b>Action:</b>	<b>Approved</b>

Mr. Flatow introduced **Docket 12286**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12286  
**Applicant:** Propane Education & Research Council  
**Short Title:** 2007 Propane Emergencies Program  
**Amount Requested:** \$135,750  
**Action:** Approved

Mr. Flatow introduced **Docket 12277**. After a question about moving the e-learning program to the internet, STAC member Walter Cressman, Cress Gas Co. (Richlandtown, PA), said that the industry didn't have adequate technology when the program was initially developed. Mr. Flatow said they would look into this option. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12277  
**Applicant:** Propane Education & Research Council  
**Short Title:** CETP E-Learning Maintenance Agreement  
**Amount Requested:** \$81,500  
**Action:** Approved

Mr. Flatow introduced **Docket 12284**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12284  
**Applicant:** Propane Education & Research Council  
**Short Title:** CETP E-Learning Phase 1 Curriculum Alignment Vapor Distribution  
**Amount Requested:** \$326,555  
**Action:** Approved

Mr. Flatow introduced **Docket 12287**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12287  
**Applicant:** Propane Education & Research Council  
**Short Title:** Cathodic Protection Training Program  
**Amount Requested:** \$6,400  
**Action:** Approved

Mr. Flatow introduced **Docket 12289**. Mr. Flatow said that \$159,000 is contingent upon NFPA approval at its July meeting. Upon a motion duly made and seconded, the funding request was approved (as follows). R.C. Mills voted against the docket.

**Docket:** 12289  
**Applicant:** Propane Education & Research Council  
**Short Title:** Cabinet Heater and Composite Cylinder Consumer Safety Outreach and Workforce Training  
**Amount Requested:** \$352,000  
**Action:** Approved

### **Announcement of Officer Nominations**

Mr. Willis announced the councilors who accepted nominations for officer positions: Chairman: Ken Green and Glen Saunders; Vice Chairman – Marketers: Charles Revere; Vice Chairman – Producers: Bill McAdam, Jay Weinheimer, and Steve Williams; Treasurer: Doug Auxier and Bill Platz; and Secretary: David Wunch. Mr. Willis said that elections will be held once NPGA and GPA decide the new Council members, and ballots will be mailed and emailed in June.

### **Research and Development Advisory Committee**

Director of Research and Development Greg Kerr gave councilors an update on Research and Development Advisory Committee (RDAC) activities. He said RDAC will likely bring a gas heat pump project to the July Council meeting. Mr. Kerr updated councilors on PERC's work on a new desiccant dehumidifier, which is now commercially available. He said new fact sheets on the gas cooling study and the Climate Energy Combined Heat and Power system are available.

RDAC consultant Larry Osgood gave councilors an update on PERC's Distributed Generation (DG) program. Mr. Osgood said distributed generation is a lead item in future market development potential and gallons. Mr. Osgood gave councilors an overview of PERC's Distributed Generation program and a summary of 2006-2007 objectives. Mr. Osgood described some of PERC's DG projects, including Yanmar CHP, Honda micro-CHP, and Marathon Engine Systems. He also laid out the challenges that we face to succeed in DG, stating that fuel-generated power is expensive. Mr. Osgood explained that small renewable hybrid power systems optimize costs, which will help propane support the on-site power market.

Mr. Kerr introduced **Docket 12275**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>12275</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	2007 Distributed Generation Program
<b>Amount Requested:</b>	<b>\$260,210</b>
<b>Action:</b>	<b>Approved</b>

Mr. Kerr requested permission from the Council to issue a request for proposals (RFP) to design and develop a premium propane genset optimized for use in solar hybrid applications. Upon a motion made and seconded, the RFP was approved.

Mr. Kerr requested permission from the Council to issue an RFP to design and develop a packaged advanced solar hybrid system using an optimized premium propane genset. Upon a motion made and seconded, the RFP was approved.

Mr. Kerr introduced **Docket 12264**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12264  
**Applicant:** Propane Education & Research Council  
**Short Title:** Investigation of Propane-Generator Hybrid Power Systems for Rural Tribal Communities  
**Amount Requested:** \$54,601  
**Action:** Approved

Mr. Kerr showed councilors a slide listing the 21 universities that have partnered with PERC on 30 different projects over the past year.

Mr. Kerr introduced **Docket 12221**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12221  
**Applicant:** TEMP-AIR  
**Short Title:** Fundamental Research on the Efficacy of Heat on Bed Bugs and Heat Transfer in Mattresses  
**Amount Requested:** \$52,500  
**Action:** Approved

Mr. Kerr introduced **Docket 12294**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12294  
**Applicant:** Propane Education & Research Council  
**Short Title:** Study of Propane's Climate-Change Advantages  
**Amount Requested:** \$35,000  
**Action:** Approved

Mr. Kerr introduced **Docket 12295**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12295  
**Applicant:** Ferrellgas  
**Short Title:** Mobile Propane Powered Surveillance Unit  
**Amount Requested:** \$26,745  
**Action:** Approved

#### **Agriculture Advisory Committee**

Director of Agriculture Programs Mark Leitman gave councilors an update on recent agriculture programs and outreach. Mr. Leitman reported that the propane industry was featured on the national television program *RFD-TV Live* on January 29. He said PERC President and CEO Roy Willis, Agriculture Advisory Committee Chairman Robert Jacobs, and Research and Development Advisory Committee Chairman Stuart Weidie were panelists and answered questions. Mr. Leitman said the show featured new propane technologies for rural America for both the farm and the home, and many supporting materials, as well as a website, were created for the event.

Mr. Leitman reported on the Agriculture Advisory Committee's recent communications outreach, which included participation in the National Western Stock Show, the International Poultry Show, World Ag Expo, USDA Outlook Forum, and National Ag Day Luncheon. He said in 2006 PERC's agriculture programs received 19 million impressions in media outlets such as Farm Journal, AG Day, BP News, LP Gas, Farm Progress Publications, among others. Mr. Leitman reported that new agriculture fact sheets are available on thermal remediation and orchard heating, and he discussed agriculture technology to be displayed at the Southeastern Convention.

Mr. Leitman introduced **Docket 12293**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12293  
**Applicant:** Propane Education & Research Council  
**Short Title:** Youth Agriculture Education Materials Development  
**Amount Requested:** \$74,500  
**Action:** Approved

Mr. Leitman introduced **Docket 12296**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12296  
**Applicant:** Nebraska Propane Education & Research Council  
**Short Title:** Economic Analysis and Demonstration of Propane Irrigation Engines Phase 2  
**Amount Requested:** \$51,885  
**Action:** Approved

Mr. Leitman introduced **Docket 12297**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12297  
**Applicant:** Diedrichs and Associates  
**Short Title:** Batchen Stinger Steam Weeder – Design Study  
**Amount Requested:** \$75,000  
**Action:** Approved

Mr. Leitman introduced **Docket 12292**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12292  
**Applicant:** Propane Education & Research Council  
**Short Title:** Dairy Bed Sterilization Through Propane Flame  
**Amount Requested:** \$47,763  
**Action:** Approved

#### **Engine Fuel Advisory Committee**

Engine Fuel Advisory Committee (EFAC) Chairman Tucker Perkins said EFAC is moving from developing new products to making sure current ones are successful.

Managing Director, Engine Fuel Programs Brian Feehan gave councilors an update on Engine Fuel Advisory Committee activities. Mr. Feehan reported that the previous week, PERC participated in the National Alternative Fuels and Vehicle Conference in Anaheim, CA. He said the Roush F-150 propane truck was on display at the booth, and was also pictured in a story on NBC Nightly News, which was shown to councilors. Mr. Feehan said the *PROPANE Exceptional Energy*® Fleet Award winners were announced during the conference.

Mr. Feehan gave an update on the Blue Bird Vision school bus and the Roush F-150 dedicated-propane pickup truck. He said that these vehicles will be at the Southeastern and representatives from the two companies will be available to talk about the vehicles. Mr. Feehan said PERC has been working on a joint marketing campaign with Roush and Blue Bird, and that the Southeastern will be the first place the F-150 can be ordered for delivery during third quarter of 2007.

Mr. Feehan introduced **Docket 12244**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>12244</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Engine Fuel Advisory Committee Oversight and Operating Support
<b>Amount Requested:</b>	<b>\$95,000</b>
<b>Action:</b>	<b>Approved</b>

Mr. Feehan introduced **Docket 12251**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>12251</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Engine Fuel Advisory Committee (EFAC) Professional Services
<b>Amount Requested:</b>	<b>\$200,000</b>
<b>Action:</b>	<b>Approved</b>

Mr. Feehan reported on EFAC's marketing and outreach efforts in the forklift and fleet markets, describing top-line results and growth trends. Mr. Feehan talked about the Fleet Calculator, and also described earned media highlights in publications such as *The Arizona Republic* and *Chicago Sun-Times*.

Mr. Feehan described the 2007 engine fuel plan. He said in the forklift market, plans include an OEM outreach program, a distributor outreach program, and state-specific marketing. Mr. Feehan said for the off-road market, PERC is working with OEMs to make more information available to customers and will support market-ready vehicles such as commercial mowers and airports/ports equipment. Mr. Feehan said in the on-road market, they will focus on promoting market-ready vehicles, including but not limited to the Roush and Blue Bird programs.

Mr. Feehan introduced **Docket 12290**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 12290  
**Applicant:** Propane Education & Research Council  
**Short Title:** 2007-2008 Engine Fuel Marketing Program  
**Amount Requested:** \$925,000  
**Action:** Approved

#### **Industry Programs**

Director of Industry Programs Martha Evans gave councilors an update on the 2005 API Survey. She said the report was released in January, but inaccurate data was submitted by two large companies that operate in multiple states. These inaccuracies had a significant impact on the results. API felt these errors affected the estimates and thus necessitated API releasing a revised 2005 report. Ms. Evans showed councilors a slide with deadlines for the 2006 API Survey. Ms. Evans informed councilors of recommendations made by the API Survey Task Force to increase response rates and estimates of non-responders. She said the task force considered incentives and disincentives for non-responders, and gave councilors a summary of task force recommendations. Ms. Evans said final recommendations will be brought to the Council for approval.

#### **State Rebates**

Ms. Evans 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:** 12291  
**Applicant:** Michigan Propane Gas Association  
**Short Title:** Propane Emergency Response Network (PERN) 2007  
**Amount Requested:** Phase 1 - \$7,000  
**Action:** Approved

#### **Old Business**

There was no old business.

#### **New Business**

There was no new business.

The Council adjourned at 4:36 p.m.