

**Propane Education & Research Council**  
**April 2-3, 2009**  
**Atlanta**

**MINUTES**

**Proceedings for April 2**

Chairman Glenn Saunders called the meeting to order at 1:01 p.m.

Mr. Saunders, White Mountain Oil & Propane Inc. (North Conway, N.H.), welcomed Council members in attendance:

Mark Alexander, Suburban Propane Partners LP (Whippany, N.J.)  
Joe Armentano, Paraco Gas (Rye Brook, N.Y.) — *Vice Chairman, Marketers*  
Doug Auxier, Auxier Gas Inc. (Batavia, Ohio)  
Lynn Bourdon, Enterprise Operating Products LP (Houston)  
John Ehlers (San Antonio, Texas)  
Paul Grady, Heritage Operating LP (Florence, Ky.)  
Joe Gump, ConocoPhillips (Lake Forest, Ill.)  
David Lugar, AmeriGas Propane Inc. (Houston) — *Immediate Past Chairman*  
Bill McAdam, Aux Sable Liquid Products (Lake Forest, Ill.)  
Sam McTier, Propane Technologies LLC (Lake Forest, Ill.)  
Bill Platz, Delta Liquid Energy (Paso Robles, Calif.) — *Treasurer*  
Tom Redd, Martin Midstream Partners (Kilgore, Texas)  
David Regan, Targa Resources Inc. (Houston)  
T.J. Rinke, Conway NGL Storage & Fractionation, Williams Midstream (Tulsa, Okla.)  
Mike Sheehan, Sheehan's Gas Company (Bird Island, Minn.)  
Steve Williams, BP North America Gas & Power (Houston) — *Vice Chairman, Producers*  
David Wunch, SemStream LP (Tulsa, Oklahoma) — *Secretary*

Mr. Saunders welcomed Council members who joined the meeting by telephone:

George Koloroutis, Ferrell North America (Overland Park, Kan.)  
Charles Snelling (Fogelsville, Pa.)

**Approval of Minutes**

Mr. Saunders directed the councilors' attention to the minutes of the December 2008 and February 2009 meetings of the Propane Education & Research Council (PERC). Upon a motion duly made and seconded, the Council approved the minutes.

**Chairman's Report**

Mr. Saunders announced that he appointed Bryan Lewis, CHS Propane (Inver Grove Heights, Minn.), to the Safety & Training Advisory Committee; John Kraft, Pacific Northwest Plains Marketing LP (Yankton, S.D.), to the Agriculture Advisory Committee; and Thomas Van Buren, Ferrell North America (Overland Park, Kan.), to the Research and Development Advisory Committee.

**Executive Committee.** Mr. Saunders gave a report on the Executive Committee, which met the morning of April 2.

**Officer Nominations.** Mr. Saunders explained that three offices of the Executive Committee are open for the term that runs from July 2009 through June 2010. They are chairman, treasurer, and secretary. He called on PERC President and CEO Roy Willis to describe the nomination procedures. Mr. Willis described the procedures and directed councilors' attention to the nomination forms they had received at the beginning of the meeting.

**National Energy Conversation Task Force.** Mr. Armentano, chairman of the National Energy Conversation Task Force, reported on the work of the task force.

**Research, Measurement, and Evaluation Task Force.** Mr. Grady, chairman of the Research, Measurement, and Evaluation Task Force, reported on the work of the task force.

Mr. Saunders announced that the Audit Committee would offer a report to the Council April 3.

**Vice Chairman's Report — Marketers**

Mr. Armentano had no report.

**Vice Chairman's Report — Producers**

Mr. Williams had no report.

**Treasurer's Report**

Mr. Platz gave a report on the Council's financial results for the 2008 calendar year. Upon a motion duly made and seconded, the Council adopted the treasurer's report.

**Grants Management**

PERC Chief Financial Officer and Vice President of Administration Jim Harris proposed to close out 20 dockets, with the funds returning to the general treasury (as follows).

**Docket: 12171 (Consumer Education) \$12,150,000**  
**Project:** 2007 Homeowner Advertising and Outreach  
**Action:** De-obligates the remaining balance of \$457,332 and returns these funds to the general treasury

**Docket: 12389 (Consumer Education) \$100,000**  
**Project:** 2008 Hearth, Patio, and Barbecue EXPO  
**Action:** De-obligates the remaining balance of \$22,227 and returns these funds to the general treasury

**Docket: 12467 (Consumer Education) \$150,000**  
**Project:** 2008 Consumer Education Advisory Committee  
**Action:** De-obligates the remaining balance of \$6,684 and returns these funds to the general treasury

**Docket: 12150 (Industry Programs) \$1,601,000**  
**Project:** 2007 Partnership  
**Action:** De-obligates the remaining balance of \$22,667 and returns these funds to the general treasury

**Docket:** 12534 (Industry Programs) \$215,000  
**Project:** 2007 API Report/Survey  
**Action:** De-obligates the remaining balance of \$43,473 and returns these funds to the general treasury

**Docket:** 12145 (Engine Fuel) \$50,000  
**Project:** Marketing/Outreach Program for Blue Bird School Bus  
**Action:** De-obligates the remaining balance of \$9,263 and returns these funds to the general treasury

**Docket:** 12195 (Engine Fuel) \$95,000  
**Project:** Performance Evaluation of Propane Injection for Diesel Engines (Mobile Applications)  
**Action:** De-obligates the remaining balance of \$20,356 and returns these funds to the general treasury

**Docket:** 12463 (Engine Fuel) \$120,000  
**Project:** 2008 Engine Fuel Advisory Committee Operating and Oversight  
**Action:** De-obligates the remaining balance of \$22,706 and returns these funds to the general treasury

**Docket:** 12100 (Research and Development) \$100,000  
**Project:** Propane Industry Component/System Testing Program Management  
**Action:** De-obligates the remaining balance of \$1,313 and returns these funds to the general treasury

**Docket:** 12295 (Research and Development) \$26,745  
**Project:** Mobile Propane Powered Surveillance Unit  
**Action:** De-obligates the remaining balance of \$26,745 and returns these funds to the general treasury

**Docket:** 12335 (Research and Development) \$19,000  
**Project:** Investigation into Bio-Propane  
**Action:** De-obligates the remaining balance of \$4,000 and returns these funds to the general treasury

**Docket:** 12454 (Research and Development) \$208,000  
**Project:** 2008 R&D O&A Committee Support  
**Action:** De-obligates the remaining balance of \$758 and returns these funds to the general treasury

**Docket:** 12455 (Research and Development) \$120,000  
**Project:** Provide Technical Communications Services to PERC's R&D Advisory Comm.  
**Action:** De-obligates the remaining balance of \$5,698 and returns these funds to the general treasury

**Docket:** 12080 (Safety and Training) \$227,000  
**Project:** Development of Consumer Emergency Preparedness Fact Sheets  
**Action:** De-obligates the remaining balance of \$43,820 and returns these funds to the general treasury

- Docket:** 12205 (Safety and Training) \$139,188  
**Project:** Cabinet Heater/Fire Service Outreach Phase II  
**Action:** De-obligates the remaining balance of \$3,980 and returns these funds to the general treasury
- Docket:** 12206 (Safety and Training) \$50,000  
**Project:** S&T Online Resource — 2007 Hosting and Support  
**Action:** De-obligates the remaining balance of \$22,719 and returns these funds to the general treasury
- Docket:** 12378 (Safety and Training) \$134,265  
**Project:** Cathodic Protection Program — Video and Manual  
**Action:** De-obligates the remaining balance of \$8,418 and returns these funds to the general treasury
- Docket:** 12026 (Agriculture) \$35,850  
**Project:** Poultry House Sanitation to Reduce Pathogen Transport to Groundwater  
**Action:** De-obligates the remaining balance of \$13 and returns these funds to the general treasury
- Docket:** 12292 (Agriculture) \$47,763  
**Project:** Dairy Bed Sterilization through Propane Flame  
**Action:** De-obligates the remaining balance of \$13,303 and returns these funds to the general treasury
- Docket:** 12422 (Agriculture) \$136,250  
**Project:** 2008 Agriculture Project/Partner Development & Support  
**Action:** De-obligates the remaining balance of \$18,395 and returns these funds to the general treasury

Upon a motion duly made and seconded, the Council adopted the grants management reconciliation report.

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

Mr. Willis gave a report that covered personnel matters, the Commerce Department price analysis, and some of the reports and action items that would come before the Council at this meeting.

#### **Chief Marketing Officer's Report**

PERC Senior Vice President and Chief Marketing Officer Kate Caskin gave a report on PERC marketing efforts across mission areas.

Ms. Caskin introduced Mike Sloan of Energy and Environmental Analysis Inc. (Arlington, Va.), an ICF International company. Mr. Sloan made a presentation on key trends in energy prices and the housing market and the influence of those trends on residential propane markets.

PERC Director of Residential Programs Tracy Burleson offered a report on the propane industry's 2008 marketing strategies and the business results in the consumer and builder markets.

PERC Director of Industry Programs Martha Evans presented an overview of measurements of industry programs in 2008.

Ms. Caskin summarized the data of other PERC resources for marketers, including the Propane Industry Resource Catalog, the Find a Propane Retailer program, and the newsletters.

Ms. Caskin introduced **Docket 15950**. Upon a motion duly made and seconded, the funding request was approved, pending public comment (as follows).

<b>Docket:</b>	<b>15950</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	2009 Consumer Education Measurement and Evaluation Program
<b>Amount Requested:</b>	<b>\$305,000</b>
<b>Action:</b>	<b>Approved</b>

Ms. Caskin made a presentation about PERC's brand and campaign equities, including the Energy Guys and *PROPANE Exceptional Energy*®. She then called on representatives of Colle+McVoy (Minneapolis) to describe progress on the National Energy Conversation.

Seth Pederson of Colle+McVoy summarized the objective and strategies of the National Energy Conversation initiative.

Tom Nagle of Statler Nagle LLC (Washington) reviewed the testing of the television advertising concepts developed by Colle+McVoy.

David Keepper of Colle+McVoy introduced the two television advertisement concepts that scored highest in the qualitative testing.

Ann Wiessner of Colle+McVoy described the advertising strategies that will shape the National Energy Conversation media buys.

#### **Chief Information Officer's Report**

PERC Chief Information Officer Kay Howell reported on PERC's progress toward fulfilling the goals identified in the Council's 2007 information technology roadmap.

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

Mr. Saunders directed the councilors' attention to four public comments found in their briefing books. He then opened the floor for industry and public comments.

Dave Scigliano, vice president of Crystal Flash Energy (Grand Rapids, Mich.), offered a comment on the future of the *PROPANE Exceptional Energy*® tagline.

Hearing no other comments, Mr. Saunders asked for a report from the Consumer Education Advisory Committee.

#### **Consumer Education**

Ms. Burlison gave a report from the Consumer Education Advisory Committee.

Ms. Burlison introduced **Docket 15952**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15952  
**Applicant:** Propane Education & Research Council  
**Short Title:** 2009 Trade Shows and Conferences  
**Amount Requested:** \$1,447,050  
**Action:** Approved

Ms. Burlison introduced **Docket 15951**. Upon a motion duly made and seconded, the funding request was approved, pending public comment (as follows).

**Docket:** 15951  
**Applicant:** Propane Education & Research Council  
**Short Title:** 2009 Factory-Built Housing Initiative  
**Amount Requested:** \$150,000  
**Action:** Approved

### **Safety and Training**

Safety & Training Advisory Committee Chairman Mike Walters, AmeriGas (Westlake, Ohio), offered a report on the work of the committee.

PERC Vice President of Safety and Training Stuart Flatow asked the Council to authorize the release of a request for proposals to conduct research on consumer perceptions of the safety of propane. Upon a motion duly made and seconded, the Council authorized the release of the request for proposals.

Mr. Flatow asked the Council to authorize the release of a request for proposals to update the *Dispensing Propane Safely* program to reflect both user feedback and the industry's new emphasis on the engine fuel market. Upon a motion duly made and seconded, the Council authorized the release of the request for proposals.

Mr. Flatow asked the Council to authorize the release of a request for proposals to make *Propane Regulatory Compliance Guides* available in a text format. Upon a motion duly made and seconded, the Council authorized the release of the request for proposals.

The Council recessed for the day at 5:47 p.m.

### **Proceedings for April 3**

Mr. Saunders called the meeting back to order at 9:07 a.m.

Mr. Saunders called on Mr. Willis to announce the officer nominations. Mr. Willis reported that there is an uncontested slate of officers for 2009-2010. He announced that the following councilors had been nominated to serve on the Executive Committee from July 2009 through June 2010:

*Chairman:* Mr. Platz  
*Vice Chairman, Marketers:* Mr. Armentano  
*Vice Chairman, Producers:* Mr. Williams

Treasurer: Mr. Grady  
Secretary: Mr. Regan

**Audit Committee Report.** Mr. Williams gave the Audit Committee report. He said the Audit Committee recommended that the Council accept the draft 2008 audit report as the final 2008 audit report. Upon a motion duly made and seconded, the Council adopted the Audit Committee report.

### **Industry and Public Comments**

Mr. Saunders opened the floor for industry and public comments on the matter of state rebate requests for low-emission equipment replacement programs.

Lesley Brown Garland, executive director of the Western Propane Gas Association (Sacramento, Calif.), offered a comment and responded to questions from the Council.

Baron Glasgow, executive director of four regional propane associations, offered a comment and responded to questions from the Council.

Upon a motion duly made and seconded, the Council adopted the following resolution: “*Resolved*, That these programs for equipment and appliance and fittings replacement are not subject to the replicated rebate and these programs must be reviewed by the Council itself prior to approval and authorization of the funding.”

Hearing no further comments, Mr. Saunders asked for a report from the Research and Development Advisory Committee.

### **Research and Development**

Research and Development Advisory Committee Chairman Kirk Saunders, White Mountain Oil & Propane Inc. (North Conway, N.H.), offered a report on the work of the committee since the last Council meeting.

Director of Research and Development Greg Kerr asked the Council to authorize the release of a request for proposals to develop a zero-emission product to act as the primary indicator for shutoff while filling propane containers. Upon a motion duly made and seconded, the Council authorized the release of the request for proposals.

Mr. Kerr asked the Council to authorize the release of a request for proposals to develop a refillable small cylinder that would be used in place of traditional non-refillable DOT 39 cylinders. Upon a motion duly made and seconded, the Council authorized the release of the request for proposals.

Mr. Kerr introduced **Docket 15866**. Upon a motion duly made and seconded, the funding request was approved (as follows).

<b>Docket:</b>	<b>15866</b>
<b>Applicant:</b>	Propane Education & Research Council
<b>Short Title:</b>	Expert Analysis of the Concept of Synthetic and/or Bio-propane
<b>Amount Requested:</b>	<b>\$99,261</b>
<b>Action:</b>	<b>Approved</b>

Larry Osgood, chairman of Consulting Solutions LLC (Monument, Colo.), offered a report on research into fuel deposits and residues in propane vaporizers.

Mr. Kerr introduced **Docket 15938**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15938  
**Applicant:** Propane Education & Research Council  
**Short Title:** LPG Additive and Filter Effectiveness Studies  
**Amount Requested:** \$449,300  
**Action:** Approved

Mr. Kerr introduced **Docket 15964**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15964  
**Applicant:** Propane Education & Research Council  
**Short Title:** Greenhouse Gas Emissions for Propane Equipment Analysis II  
**Amount Requested:** \$82,000  
**Action:** Approved

#### **Engine Fuel**

PERC Vice President Brian J. Feehan made a report from the Engine Fuel Advisory Committee.

Mr. Feehan introduced **Docket 15945**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15945  
**Applicant:** Propane Education & Research Council  
**Project:** Engine Fuel Advisory Committee (EFAC) Professional Services  
**Amount:** \$200,000  
**Action:** Approved

Mr. Feehan introduced **Docket 15961**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15961  
**Applicant:** EnviroGard  
**Project:** Propane Fuel Systems for New Kawasaki Engine Platforms  
**Amount:** \$100,000  
**Action:** Approved

Mr. Feehan introduced **Docket 15649**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15649  
**Applicant:** California Clean Air Technologies (C-CAT), LLC

**Project:** CARB Off-Road Verification of a Propane Addition System  
**Amount:** \$280,000  
**Action:** Approved

Mr. Feehan introduced **Docket 15607**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15607  
**Applicant:** Alabama Propane Gas Association  
**Project:** Propane Vehicle Statistical Data Research  
**Amount:** \$65,000  
**Action:** Approved

Bill Hanson of Colle+McVoy summarized the PERC engine fuel marketing program for 2009 and 2010.

Mr. Feehan introduced **Docket 15943**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15943  
**Applicant:** Propane Education & Research Council  
**Project:** 2009-2010 Engine Fuel Marketing Program  
**Amount:** \$1,766,200  
**Action:** Approved

Mr. Scigliano offered a comment on heavy-duty truck platforms for propane-fueled engines.

### **Agriculture**

PERC Director of Agriculture Programs Mark Leitman offered a report on the work of the Agricultural Advisory Committee.

Mr. Leitman introduced **Docket 15932**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15932  
**Applicant:** Propane Education & Research Council  
**Short Title:** Propane Agriculture Roadmap Update  
**Amount Requested:** \$67,000  
**Action:** Approved

Mr. Leitman introduced **Docket 15948**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 15948  
**Applicant:** Ohio State University  
**Short Title:** Propane Flaming of Sand to Reduce Bacteria Counts  
**Amount Requested:** \$116,176  
**Action:** Approved

### **Industry Programs**

Industry Programs Director Martha Evans gave a report on industry programs.

Ms. Evans introduced a no-cost change order to **Docket 12531** (2008 Consumer Education Partnership with the States Program). Upon a motion duly made and seconded, the Council approved the change order (as follows).

### **State Rebates**

Ms. Evans directed the Council's attention to the 79 replicated rebate requests, totaling \$3,014,439, that PERC staff had approved and paid out since the last Council meeting. There are 11 rebates requesting partnership funds, totaling \$96,511.

### **Old Business**

There was no old business.

### **New Business**

Upon a motion duly made and seconded, the Council closed nominations for officers and accepted the uncontested nominations in lieu of an election.

Upon a motion duly made and seconded, the Council authorized a request for proposals to produce a history of the propane industry as it approaches its 100<sup>th</sup> anniversary.

Upon a motion duly made and seconded, the Council adopted the following resolution: "*Resolved*, That the Council authorizes the president to negotiate an alliance with the Pickens Plan, further provided that, only upon approval by the Council Executive Committee of the written plan specifying the deliverables and activities to implement such alliance, a sum of not more than \$1 million is authorized to carry out the alliance."

Mr. Saunders announced that the Council will meet next in Washington on July 16 and 17.

Upon a motion duly made and seconded, the Council went into executive session to discuss some strategic issues at 1:09 p.m.