

AGENCY MISSION STATEMENT:

§52-420.22 which was adopted by the Oklahoma Legislature in 1994 and signed into law by Gov. Henry Bellmon states”

“The purpose of the Commission is to coordinate marketing and research activities of the L P Gas industry and to promote safety through programs and education.”

Essentially all of the programs and activities of the L P Gas Commission are designed to improve safety and public education related to L P gas or propane. Since it is national in scope, and since it has substantially more funding, this Commission defers to the Propane Research & Research Council in the area of propane research including the development of propane-fueled engines. While the L P Gas Commission and PERC share common goals, the two organizations serve different publics and conduct different programs. The L P Gas Commission is the principal source for consumer safety/education materials in this state. It is also the principal source for L P Gas training and for LP Gas training materials.

LEAD ADMINISTRATOR:

Richard L. Hess  
Executive Director  
6412 N. Santa Fe Ave. Ste C  
Oklahoma City, OK 73116  
405-879-9828  
[lpgascomm@rhess.com](mailto:lpgascomm@rhess.com)  
[rhess@rhess.com](mailto:rhess@rhess.com)

GOVERNANCE:

The Liquefied Petroleum Gas Research, Marketing and Safety Commission is comprised of 15 members, 12 of whom are appointed four each by the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives to represent each of the four quadrants of the state created by the intersection of I-35 and I-40. Each appointee to this Commission must be at least 25 years of age, be a resident of Oklahoma, hold a permit from the Oklahoma Liquefied Petroleum Gas Board and have at least five years of “active experience” in the L P gas industry. Up to three additional members may be elected by the appointed L P Gas Commission members to represent companies which provide goods and services to propane gas dealers. The L P Gas Commission members are authorized to administer and enforce the provisions of the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Act.

**The list of Commission members and the quadrant of the state which each represents, if applicable, is shown below. At large members are Supplier Company members and are elected by the members who are appointees of the Governor, the Senate President Pro Tempore, or the Speaker of the House of Representatives.**

**SPEAKER Appointments**

Mike Southward-NE  
Robert Carlton-SE  
Ivan Perkins-NW  
SW-position open \*

**PRESIDENT PRO TEMPORE Appointments**

Paul Laney- NE  
Jim Miller-Vice Chairman-SE  
Herbert Hampton-Secretary/Treasurer-SW  
NW- position open \*

**GOVERNOR Appointments**

Jim Boden-NW  
Roger Luke- Chairman-SE  
Barry Steagall-SW  
Tom Throop-NE

**L P GAS Commission Appointments**

Buddy Littlefield-At Large  
Teresa Raybourn-At Large  
Ray Accord-At Large

\*Nominees have been selected.

Does the Board have any committees or subgroups? If so, please provide a detailed listing of the subgroups and their areas of focus.

**Committees are appointed on an as needed basis and expire either annually or upon completion of its mission/charge. Examples include a Budget Committee, an Assessment Review Committee and a Marketing/Public Education Committee. There are no permanent or standing committees.**

GOVERNANCE ACCOUNTABILITY:

Is there an attendance policy for board members/commissioners? If so, is it being followed?

**No.**

**Twelve of the 15 positions on the L P Gas Research, Marketing and Safety Commission are appointed by the Governor, the President Pro Tempore or the Speaker of the House of Representatives. However, attendance is monitored, and if necessary, members are consulted regarding their attendance, the importance of these meetings and the obligations they willingly agreed to when they accepted appointment. By and large, attendance has not been a problem for this agency.**

MODERNIZATION EFFORTS:

Please provide a listing of all government modernization efforts undertaken by the agency in the last twelve months. Additionally, please provide any authorizing statutory changes that prompted the modernization efforts and whether those efforts have led to cost savings or additional cost burden.

Liquefied Petroleum Gas Research, Marketing, and Safety Commission

**This Commission has operated under what we believe is a modernized management model since its creation in 1994. Rather than hiring employees, purchasing office equipment and leasing office space, the L P Gas Commission has chosen to operate through a competitively bid administrative contract with Richard Hess & Associates, an Oklahoma City-based organization management company. RH&A has provided administrative/management services to state, regional and national non-profit associations since 1981, and the principal, Richard Hess, has more than 40 years of experience in this field including extensive experience in the energy sector as the Director of Communications of the Interstate Oil Compact Commission, and as executive director of Oklahomans for Energy and Jobs, the Natural Resources Education Foundation, and the Oklahoma Propane Gas Association. Mr. Hess also served as coordinator of 12 Governor's Energy Conferences on behalf of Governors George Nigh, Henry Bellmon, David Walters and Frank Keating. RH&A is responsible for personnel, office space, equipment etc. RH&A employees do not participate in the State health insurance program or the State retirement program. Under the terms of this contract, salaries, insurance, etc., for all employees are the responsibility of RH&A.**

What steps has the agency taken to cut costs and/or eliminate waste? Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?

**The contract with Richard Hess & Associates provides for fixed-costs and other efficiencies in terms of personnel and office arrangements. This arrangement has worked well for this Commission for more than 20 years. However, the L P Gas Commission is a relatively small agency. It is difficult to say if this model, or a similar model, would work as well for larger agencies.**

CORE MISSION:

What services are you required to provide which are outside of your core mission? Are any services you provide duplicated or replicated by another agency? Are there services which are core to your mission which you are unable to perform because of requirements to perform non-core services elsewhere?

**All of the services provided by the L P Gas Research, Marketing and Safety Commission are considered part of its core mission.**

**The L P Gas Commission works closely with the L P Gas Board on a variety of safety initiatives. However, these joint efforts are collaborative in nature rather than duplicative. For example, the rules of the L P Gas Board require that a Form 4 (Safety Check) be completed any time there is an interruption in propane service and for every new propane customer. The Form 4/Safety Check Form was adopted by the L P Gas Board, and it is technically an L P Gas Board form. However, the L P Gas Commission also requires that a Form 4/Safety Check be performed in order for a**

water heater or regulator purchase/installation to be eligible for a Safe Appliance Installation Rebate from the L P Gas Commission, and a copy of the Form 4 must accompany a rebate application in order for it to be eligible. The L P Gas Commission provides these forms in triplicate at no charge to Oklahoma propane gas marketers and propane consumers. One copy of the Form 4 is sent to the L P Gas Board whenever a Safety Check is performed, and one copy is retained by the propane consumer. If a rebate is requested, the third copy is included with the rebate application. Since the L P Gas Board and the L P Gas Commission began working collaboratively to require/encourage Safety Checks/Form 4s and to make them more readily available and convenient to use, the number of Form 4s submitted to the L P Gas Board annually has increased from approximately 5,000 in the 1990s to an average of over 30,000 annually in more recent years.

Similarly, the L P Gas Board and the L P Gas Commission co-present Management Safety Seminars each year which each Class I Owner and Class X Manager is required to attend every other year. The L P Gas Board is primarily responsible for the content of these seminars. The L P Gas Commission is responsible for the logistics and the contractual agreement with Oklahoma CareerTech. These Management/Safety Seminars are presented multiple times each year at a CareerTech facility in Oklahoma City. They are then broadcast to CareerTech locations around the state utilizing CareerTech's remote broadcast system. The cost to promote these programs and the cost to broadcast them to other CareerTech locations are the responsibility of the L P Gas Commission. By working collaboratively, the L P Gas Board and L P Gas Commission are able to present higher quality programs that are more conveniently accessible to propane gas company owners and managers who are required to attend and who are located throughout Oklahoma.

PRIVATE ALTERNATIVES:

Are any of the services which are performed by the agency also performed in the private sector in Oklahoma? In other states? Has the agency been approached by any foundation, for-profit or not-for-profit corporation with efforts to privatize some of the functions of the agency?

The administrative functions of the L P Gas Commission have been privatized since it was created in 1994. The L P Gas Commission has no employees, owns no furnishings, owns no office equipment and does not lease office space. These administrative functions/office arrangements have been privatized and are provided through a competitively bid contract with an Oklahoma City-based management company. The L P Gas Commission hopes to further privatize this agency's operations in 2015 through passage of an agency-privatization bill, SB 402 by Sen. Mike Schulz and Rep. Todd Russ. If approved, SB 402 would terminate the current L P Gas Research, Marketing and Safety Commission and replace it with a non-profit association to be known as the Oklahoma Propane Education and Safety Council. SB 402 is similar to HB 2566 which the Oklahoma Legislature approved to privatize the operations of the Oklahoma Peanut Commission and the Oklahoma

Oklahoma Senate Committee on Appropriations

---

2015-16 Performance Report

---

Liquefied Petroleum Gas Research, Marketing, and Safety Commission

**Wheat Commission. The Oklahoma Peanut Commission has now been privatized. The Oklahoma Wheat Commission is scheduled to be fully privatized later this year. The L P Gas Commission's privatization bill, SB 402, has an effective date of November 1, 2015. If SB 402 is approved and signed into law, the Oklahoma Liquefied Petroleum Gas Research, Marketing and Safety Commission will be terminated and be replaced by a private, non-profit association on November 1, 2015.**