

The background of the slide is a composite image. On the left, there is a dark blue vertical bar. The main background is a close-up, slightly blurred photograph of a gas stove burner with a blue flame. To the right of the burner, there is a classical stone column with fluted details. The overall lighting is soft, and the colors are muted, with the blue of the flame and the dark blue of the text providing the primary color palette.

2022 NPGA Membership Categories & Dues

Michelle Bimson Maggi

National Propane Gas Association, Vice Chair

Why is a Dues Increase Necessary?

- **Electrification Movement**
 - Federal, States, Municipal, Codes, Regulatory
- **State Engagement Fund**
- **Biden Administration**
 - Plus Congress, International Forums
- **Last increase: 6 Years Ago**
 - NPGA has budgeted in the **red** for past 3 years
- **NPGA has also tightened its belt**
 - 18% under budget last year, 12% under before travel savings
 - But revenue decline: CETP sale and conventions & events



How do NPGA Dues Compare to other Associations?



- **National energy trade associations:**
 - Dues account for **65-70%** of annual revenue
- **National associations representing industries with a similar workforce:**
 - Dues account for **58-59%** of annual revenue
- **NPGA Dues:**
 - 2021: **40%** of budgeted annual revenue
 - 2022: **44%** of budgeted annual revenue

Were My Views Represented?

Task Force

- Ms. Michelle Bimson Maggi - *interstate marketer member*
- Mr. Randy Thompson - *interstate marketer member*
- Mr. Gary France - *intrastate marketer member*
- Ms. DD Alexander - *wholesaler non-marketer member*
- Mr. Lynn Hardin - *manufacturer non-marketer member*
- Mr. Derek Dalling - *state executive*
- Mr. Steve Kaminski – *NPGA*
 - Input from consultant*
 - Benchmarking*

NPGA Executive Committee
State and Regional Executives

How do NPGA Expenses Compare to other Associations?

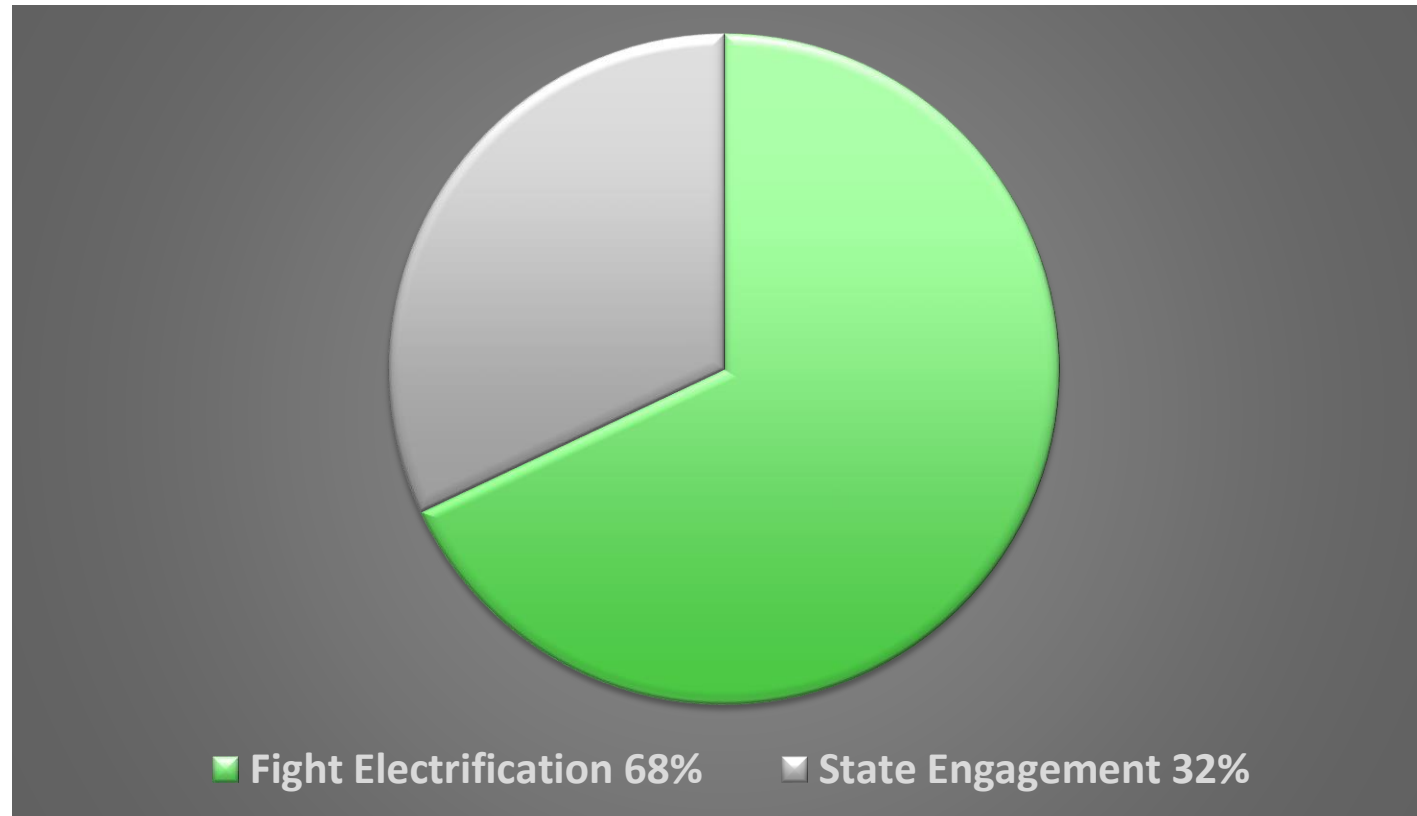
- **Expense per employee**
 - 17.5% better than average
- **Salaries as % of total expense**
 - 5% lower than average
- **G&A (general and admin) as % of total expense**
 - 10% lower than average



Structural Changes

- **Marketers: No changes in *structure* of dues calculations:**
 - Based on number of bulk plants
 - No changes in dues relationship between Regional/State associations and NPGA
- **Non-Marketers (Affiliate Members):**
 - Former Supplier 1 and Supplier 2 categories are collapsed into 1 category
 - New gross revenue “tier breaks” for suppliers
 - New category for dispensers (fill- and refill-only outlets)
- **New Concepts:**
 - New Business Councils and Center for Legal Action

What Will Additional Dues Fund?



Increases in 2022 Marketer Dues: 10.75%

	0-2 Total Bulk Plants (or HQ)	3-5 Total Bulk Plants	6+ Total Bulk Plants
2022 Basic NPGA Dues	\$550 total	+ \$300 additional combined price	\$850 + \$285 per additional bulk plant

Comparison to Current Dues

	0-2 Total Bulk Plants (or HQ)	3-5 Total Bulk Plants	6+ Total Bulk Plants
2021 Dues	\$498 total	+\$270 additional combined price	\$768 + \$256 per additional bulk plant
2022 Dues	\$550 total	+\$300 additional combined price	\$850 + \$285 per additional bulk plant
Difference	\$52 total	\$82 total	\$82 + \$29 per additional
Difference per year over 6 years	<\$9/year	<\$14/year	\$14 + <\$5 per additional / year

Increases in 2022 Affiliate (Non-Marketer) Member Dues

	Producers/Brokers/ Wholesalers	Dispensers	Suppliers	2022 Basic NPGA Dues
	States of Propane Operation	Retail Outlets with Propane Sales	Annual Propane Industry Gross Revenue	
Class 1	N/A	1-5 outlets	\$1M or less	\$1,350
Class 2	1-2 states	6-15 outlets	Over \$1M - \$3M	\$1,500
Class 3	3-6 states	16-100 outlets	Over \$3M - \$5M*	\$3,750
Class 4	7-12 states	101-350 outlets	Over \$5M - \$9M*	\$7,500
Class 5	N/A	351-600 outlets	Over \$9M - \$12M*	\$11,500
Class 6	13+ states	> 600 outlets	Over \$12M*	\$18,500
International	All operations outside of U.S.			\$450
Retired	Individual retired member			\$160

Increases in 2022 Affiliate (Non-Marketer) Member Dues

- No simple comparison to 2021 because of factors such as different tier breaks
- Average of 8% increase in 2022, with former Supplier 2 members ramping up between 2022-2025
- Smallest suppliers (approximately 90 members): \$1M or less in propane industry gross revenue, no increase

Former Supplier 2 Grandfathering

- **Former Category 2 Suppliers** now in Classes 3-6
 - Greatest increases (on a percentage basis).
- **Entitled to** the following step-up “grandfathered” dues:
 - 2022: 65% of dues that would otherwise apply.
 - 2023: 75% of dues that would otherwise apply.
 - 2024: 85% of dues that would otherwise apply.
- **2025 and beyond:** 100% of dues that would otherwise apply.

NEW CONCEPTS

- **New Business Councils: Ideas include**

- Autogas
- Combined Heat & Power
- Renewables & Blends
- Agriculture
- Family-Owned & Small Business
- Interstate Marketers

- **Center for Legal Action**

- **Details**

- Structure, benefits & obligations, fees & discounts, etc. to be further developed in 2021 with input from interested members.

