

Written testimony of Larry Chesler, President of Spicer Plus Inc. CT, P.O Box 903, Groton, CT 06340(Office 800-448-2028 Extension 5011) before the Environment and Technology Committee of the CT General Assembly on March 18, 2010.

Reference: RAISED BILL NO. 465: AN ACT CONCERNING PURCHASING OF PROPANE

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Senator Fonfara and Representative Nardello and other distinguished members of the committee; I am Larry Chesler, President Of Spicer Plus Inc., and I am here regarding RAISED BILL NO. 465: AN ACT CONCERNING PURCHASING OF PROPANE which I oppose.

We do business in Salem and Groton, CT as Spicer Advanced Gas. Spicer has been in business since 1915, I am 3rd generation and my son and partner's son are now working at Spicer. We have stayed in business by taking care of our customers, employees and embrace change that makes sense to our company. But today, I can not embrace the concepts of this legislation.

As a small family business, this bill is an all out assault on the asset base of our company. Tanks are the means thru which we deliver gas to our customers. Tanks are an integral part of the hard assets financial institutions rely on to value our company and lend us working capital to purchase inventory and which allow us to make money, pay employees while offering quality service to our customers.

We have multiple types of customers; some may use 20 gallons every 2 years, while others receive thousands of gallons per month. A few customers own their own tanks of which some are under ground. All customers have the option to purchase or rent a tank. The vast majority of our customers have Spicer owned above ground 120 gallon tanks. We have metered systems with central storage. I compete with at least a dozen propane companies daily. I also can loose customers to natural gas.

Rising product costs have put huge demands on cash credit requirements. . Whole suppliers of propane want to be paid sooner, propane and related products costs more and customers have greater difficulty paying within terms. Without an adequate line of credit we would not be able to provide our service. The single greatest asset of our company, are our tanks which allow us to obtain the necessary credit to compete.

The propane industry is increasingly dominated by national companies. This bill in this economic climate will tilt the competitive field against smaller companies and will compromise our ability to utilize tanks that we have acquired over 40 years.

We do not run a big box store. Propane should not be picked off the shelf, like in a super market. When you call Spicer Advanced real Connecticut people answer the phone, deliver propane and service our customers economically and safely.