



State of Connecticut

HOUSE OF REPRESENTATIVES

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DEPUTY SPEAKER OF THE HOUSE

MEMBER
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HUMAN SERVICES COMMITTEE
LEGISLATIVE MANAGEMENT COMMITTEE
PUBLIC SAFETY AND SECURITY COMMITTEE

Testimony for March 18, 2010
Energy & Technology Committee
Senate Bill 465 – *AAC Purchasing of Propane*

To The Distinguished Co-Chairs and Members,

Thank you for allowing me to testify on behalf of SB-465.

This bill is a continuation of the General Assembly's steps to institute reasonable incremental changes in the propane market. Last year we passed Public Act 09-218, restricting propane service terminations under specific hardship circumstances, and establishing a code of conduct between natural gas distribution companies and their affiliates.

Last year, Hartford Courant columnist George Gombossy published a series of articles regarding propane tank ownership, and the harmful effects this ownership status had on propane consumers. The vast majority of our state's propane customers lease their tanks, and thus they are not permitted to change which company fills it. Consistent with the general absence of regulation regarding Connecticut's natural gas industry, there remains no law or regulation requiring a home seller to disclose ownership of a propane tank. Thus when homeowners wish to switch suppliers, they find out that it is not permitted since the tank lease is carried over from previous owners. Such a practice of "locking in" customers, as well as the absence of information between parties, contributes to a failure of the market to provide choice and competition.

Propane use has accounted for an increasing ratio of Connecticut's residential energy supply, yet it is the least transparent market in our energy portfolio. I support this legislation as another sensible step toward a more competitive, less costly energy market.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Orange".

Rep. Linda Orange
Deputy Speaker of the House