

Written testimony of T. Michael Morrissey, Connecticut State Director to the National Propane Gas Association C/O Morrissey Consulting, 332 Strickland ST, Glastonbury, CT 06033 (Office 860-633-8781) before the General Law Committee of the CT General Assembly on February 23, 2010.

Reference: **Raised Bill No. 5222: AN ACT CONCERNING RESIDENTIAL RETAIL HEATING OIL AND PROPANE CONTRACTS**

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Senator Donald A. Colapietro and Representative James Shapiro and other distinguished members of the committee; I am T. Michael Morrissey, Connecticut State Director to the National Propane Gas Association. Today, I represent local members of our national trade association regarding Raised Bill No. 5222: **AN ACT CONCERNING RESIDENTIAL RETAIL HEATING OIL AND PROPANE CONTRACTS**

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My name is Mike Morrissey and I am testifying on behalf of the CT leadership group of the Propane Gas Association of New England.

In the last three years, the propane industry has worked with the AG's staff on proposed legislation. In July 2009, following the failure of HB 6470, industry began a dialogue with the CT Department of Consumer Protection (DCP) that resulted in DCP's release of Heating Fuel Regulations that address government and consumer concerns, which the industry supports. These DCP Regulations have been approved by the Governor's Office and a public hearing is scheduled for March 12, 2010. At approximately the same time that notice of the public hearing was published, a new proposed bill, HB 5222, was sent to this committee. The industry has since met twice with staff of the Attorney General's Office. On February 18, 2010, we submitted the attached language to the Attorney General's Office. Unfortunately, the revised language fails to address industry's concerns. Accordingly, in its present form, **the propane industry does not support H.B. No. 5222.**

We welcome the opportunity to continue to discuss the following issues with the AG's office and would be pleased to meet with any member of this committee. Our concerns are:

1. The problems that were perceived to require legislative action have or will be cured with the DCP regulations. Existing regulatory and legislative initiatives deal with the use, and avoidance of potential abuse, of delivery surcharges. For customers desirous of underground propane storage tank arrangements, a purchase option will be granted on commercially reasonable terms. We do not agree that there is a need for new or additional legislation requiring written contracts for customers in all cases. Nor do we believe that such legislation would serve the public interest in that it would eventually require a dealer to terminate service to a customer who refuses or just doesn't get around to signing a written contract in order to avoid violation of HB 5222 with its associated penalties.
2. There is no provision for existing long term customers who do not wish to sign a contract other than a cumbersome one-time, first-term agreement. We believe and suggest that the bill be amended whereby acceptance of contract terms could be manifested by payment, consistent with practices recognized in all sales of goods transactions under current UCC laws.
3. Contracts should be renewable without the burden for both parties to enter into another written agreement at the end of the first term. Consumers are unlikely to respond to the offer to sign a new contract for a service they have been using for years. In addition, it is not commercially reasonable to require a moratorium on