



General Assembly

Amendment

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LCO No. 4343

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Offered by:

SEN. DOYLE, 9th Dist.
REP. TABORSAK, 109th Dist.
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To: Subst. Senate Bill No. 207

File No. 108

Cal. No. 104

**"AN ACT CONCERNING RESIDENTIAL HEATING OIL AND
PROPANE CONTRACTS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 16a-17 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2013*):

5 (a) As used in sections 16a-17 to 16a-20, inclusive:

6 (1) "Fuel" includes electricity, natural gas, petroleum products, coal
7 and coal products, wood fuels, radioactive materials and any other
8 resource yielding energy;

9 (2) "Creating a fuel shortage" means the diminution by contrivance
10 or artificial means of the supply of fuel to a point below that needed to
11 meet consumer demands adequately.

12 (b) As used in sections 16a-21, as amended by this act, 16a-22a, as
13 amended by this act, and 16a-22k, as amended by this act:

14 (1) "Associated equipment" means a gas regulator, gas line,
15 sacrificial anode, interconnecting hardware and such other equipment
16 necessary for the installation and operation of a propane tank;

17 (2)"Automatic delivery" means the delivery of heating fuel to a
18 consumer by a dealer pursuant to a system determined by the dealer of
19 calculating the heating fuel needs of the consumer, based on the
20 consumer's consumption of heating fuel;

21 (3) "Cash" means legal tender, a certified or cashier's check,
22 commercial money order or equivalent of such legal tender, check or
23 money order. Cash also includes a guaranteed payment on behalf of a
24 consumer by a government or community action agency, provided no
25 discount is taken for the charge as billed;

26 (4) "Commissioner" means the Commissioner of Consumer
27 Protection;

28 (5) "Consumer" means a direct purchaser of heating fuel from a
29 heating fuel dealer, when such fuel is the primary source of heat for
30 residential heating or domestic hot water to one or more dwelling
31 units within a structure having not more than four dwelling units;

32 (6) "Gallon" means an accepted unit of measure consisting of two
33 hundred thirty-one cubic inches, for all liquid or gaseous heating fuel,
34 subject to modifications allowed under regulations adopted pursuant
35 to section 43-42;

36 (7) "Heating fuel" means any petroleum based fuel used as the
37 primary source of residential heating or domestic hot water, including
38 petroleum products regulated pursuant to chapter 250;

39 (8) "Heating fuel dealer" or "dealer" means any individual or group
40 of individuals, a firm, partnership, corporation, cooperative or limited
41 liability company that offers the retail sale of heating fuel to a

42 consumer;

43 (9) "Lessee" means a natural person who rents or leases personal
44 property under a consumer rental or lease agreement;

45 (10) "Lessor" means a heating fuel dealer who regularly provides the
46 use of personal property through consumer rental or lease agreements
47 and to whom rent is paid at a fixed interval for the use of such
48 property; and

49 (11) "Notice of termination of automatic delivery" means a notice by
50 a consumer to a dealer providing automatic delivery in which the
51 consumer requests the dealer to terminate automatic delivery.

52 Sec. 2. Section 16a-21 of the general statutes is repealed and the
53 following is substituted in lieu thereof (*Effective July 1, 2013*):

54 [(a) No person, firm or corporation shall sell at retail fuel oil or
55 propane gas to be used for residential heating without placing the unit
56 price, clearly indicated as such, the total number of units sold and the
57 amount of any delivery surcharge in a conspicuous place on the
58 delivery ticket given to the purchaser or an agent of the purchaser at
59 the time of delivery. No person, firm or corporation may bill or
60 otherwise attempt to collect from any purchaser of fuel oil or propane
61 gas an amount which exceeds the unit price multiplied by the total
62 number of units stated on the delivery ticket, plus the amount of any
63 delivery surcharge stated on the ticket. For the purpose of this section,
64 unit price means the price per gallon computed to the nearest tenth of
65 a whole cent.]

66 (a) (1) No heating fuel dealer shall sell heating fuel or rent or lease a
67 heating fuel tank without a written contract that contains all the terms
68 and conditions for delivery of such heating fuel and the amount of
69 fees, charges, surcharges or penalties allowed under this section and
70 assessed to the consumer under such contract. No such contract shall
71 contain any fees, charges, surcharges or penalties, except for those
72 allowed pursuant to subsections (e), (f) and (g) of this section and for

73 tank rental fees or liquidated damages for violation of the contract
74 terms. No contract for the delivery of heating fuel under this
75 subsection shall include a provision for liquidated damages for a
76 consumer breach of such contract where the liquidated damages
77 exceed the actual damages to the heating fuel dealer caused by such
78 breach. No written contract period for heating fuel shall be for a term
79 greater than thirty-six months. Each heating fuel dealer shall offer
80 consumers the option to enter into a bona fide commercially
81 reasonable contract for a term of eighteen months. A consumer and a
82 heating fuel dealer may agree to enter into a bona fide commercially
83 reasonable contract for a term of less than eighteen months. Longer
84 fuel contract term lengths may be permitted for underground tank
85 consumers, provided the fuel term agreements are concurrent with
86 tank lease agreements as specified in subdivision (2) of this subsection.

87 (2) If a tank is being leased or lent to a consumer, a contract for the
88 tank rental or loan shall indicate in writing a description of the tank,
89 initial installation charges, if any, the amount and timing of rental or
90 loan payments, the manner in which the lessor will credit the lessee for
91 any unused heating fuel and terms by which a lessee may terminate
92 the contract. A lessor may enter into a separate contract with the lessee
93 for additional services including, but not limited to, maintenance,
94 repair and warranty of equipment, provided such contract complies
95 with the provisions of this section. No contract for tanks installed
96 above ground shall be for a term greater than thirty-six months. Each
97 consumer shall be given the option to enter into a bona fide
98 commercially reasonable contract for a term of eighteen months. A
99 lessee and a lessor may agree to enter into a bona fide commercially
100 reasonable contract for a term of less than eighteen months. No
101 contract for a tank installed underground shall exceed five years.

102 (3) If a tank installed underground is provided to a consumer, a
103 contract for such tank shall contain a clause providing the consumer
104 with the option to purchase the tank and associated equipment at any
105 time during the length of the contract, but not later than five years
106 after the date of commencement of the contract. The purchase price for

107 the tank shall be disclosed in the contract and shall not increase before
108 the contract expires. Any waiver of liability or transfer of warranty
109 shall be stated in the contract. For existing contracts, whether oral or
110 written, where the purchase option or purchase price is silent or
111 unspecified, a contract addendum including the purchase option and a
112 commercially reasonable purchase price shall be mailed or delivered to
113 the consumer not later than September 1, 2013. Such contract
114 addendum shall contain a clause providing the lessee with the option
115 of purchasing the tank and associated equipment at any time prior to
116 September 1, 2018. Upon purchase of the tank and any associated
117 equipment, any contract obligations pursuant to subdivisions (1) and
118 (2) of this subsection shall terminate immediately.

119 (4) A contract required by this section shall be in writing and shall
120 comply with the plain language requirements of section 42-152,
121 provided any fee, charge, surcharge or penalty disclosed in such
122 contract shall be in twelve-point, boldface type of uniform font. Any
123 fee, charge, surcharge or penalty shall not increase prior to the
124 expiration of the contract.

125 (5) A written contract for the sale of heating fuel or lease of
126 equipment that calls for an automatic renewal of the contract is not
127 valid unless such contract complies with the provisions of this section,
128 section 42-126b and chapter 296a.

129 (6) The requirement that contracts be in writing pursuant to this
130 section shall not apply to any heating fuel delivery initiated by a
131 consumer, payable on delivery or billed to the consumer with no
132 future delivery commitment, where no fee, charge, surcharge or
133 penalty is assessed, except for any fee, charge or surcharge authorized
134 under subsection (g) of this section.

135 (7) The requirement that contracts be in writing pursuant to this
136 section shall not apply to agreements that are solely automatic delivery
137 where: (A) The consumer may terminate automatic delivery at any
138 time and where no fee, charge, surcharge or penalty is assessed for

139 termination, and (B) the dealer providing automatic delivery provides
140 written notice to the consumer the dealer serves under automatic
141 delivery of the method for the termination of automatic delivery, as
142 specified in this subdivision. Such written notice shall be included with
143 each invoice for products subject to automatic delivery. Notice from a
144 consumer to a dealer requesting termination of automatic delivery
145 may be delivered to the dealer by (i) a written request by the consumer
146 delivered by certified mail to the dealer, (ii) electronic mail sent from
147 the consumer to a valid electronic mail address of the dealer, or (iii)
148 electronic facsimile by the consumer to be sent to a valid facsimile
149 number at the dealer's place of business. The consumer shall give
150 notice at least one day prior to the day upon which the consumer
151 desires to terminate automatic delivery. The consumer shall not be
152 responsible for payment of deliveries made by the dealer after such
153 notice has been given, except for deliveries made within one business
154 day after such notice has been given and which were scheduled for
155 delivery by the dealer prior to such notice being given, provided
156 consideration shall be given for weekend and holiday closings or
157 extenuating circumstances not under the control of the dealer.

158 (b) If a consumer complaint is being mediated or investigated by the
159 commissioner, the heating fuel dealer, if it owns the tank and has
160 exclusive fill requirements, may not deny the consumer deliveries of
161 heating fuel from October first to March thirty-first, inclusive, because
162 of the existence of the mediation or investigation, provided the heating
163 fuel dealer remains the exclusive supplier of heating fuel and the
164 consumer pays cash for such fuel upon delivery.

165 (c) The requirement that contracts be in writing as set forth in this
166 section may be satisfied pursuant to the provisions of: (1) The
167 Connecticut Uniform Electronic Transactions Act, sections 1-266 to 1-
168 286, inclusive, (2) sections 42a-7-101 to 42a-7-106, inclusive, or (3) the
169 Electronic Signatures in Global and National Commerce Act, 15 USC
170 7001 et seq. Except as provided in subsection (d) of this section, verbal
171 telephonic communications shall not satisfy the writing requirement of
172 this section.

173 (d) The requirement that contracts be in writing pursuant to this
174 section and section 16a-23n, as amended by this act, may be satisfied
175 telephonically, only if a heating fuel dealer:

176 (1) Has provided to the consumer prior to any telephonic
177 communication all terms and conditions of the contract, in writing,
178 except for the contract duration, the unit price and the maximum
179 number of units covered by the contract;

180 (2) Employs an interactive voice response system or similar
181 technology that provides the consumer with the contract duration, the
182 unit price and the maximum number of units covered by the contract;

183 (3) Retains for a period of not less than one year from the date of the
184 expiration of the contract, in a readily retrievable format, a recording
185 of the consumer affirmation to each such term and condition;

186 (4) Sends the consumer a letter confirming the consumer's
187 agreement to such terms and conditions, with a written copy of the
188 terms and conditions agreed to; and

189 (5) Retains a copy of each such letter.

190 (e) No heating fuel dealer shall deliver heating fuel without placing
191 the unit price, clearly indicated as such, the total number of gallons or
192 units sold and the amount of any fee, charge or surcharge allowed
193 pursuant to this section in a conspicuous place on the delivery ticket
194 given to the consumer or an agent of the consumer at the time of
195 delivery. No heating fuel dealer shall bill or otherwise attempt to
196 collect from any consumer of heating fuel an amount that exceeds the
197 unit price multiplied by the total number of gallons or units stated on
198 the delivery ticket, plus the amount of any fee, charge or surcharge
199 allowed pursuant to this section and stated on the delivery ticket.

200 (f) No heating fuel dealer shall assess a fee, charge or surcharge on
201 any delivery, including, but not limited to, any delivery under an
202 automatic delivery agreement, initiated by the dealer to a consumer.

203 (g) No heating fuel dealer shall assess a fee, charge or surcharge on
204 the price per gallon or total delivery charge for any heating fuel
205 delivery initiated by a consumer, except when:

206 (1) The heating fuel delivery is not more than one hundred gallons;

207 (2) The heating fuel delivery is made outside the normal service area
208 of the dealer;

209 (3) The heating fuel delivery is made outside the normal business
210 hours of the dealer; or

211 (4) The dealer incurs extraordinary labor costs for the heating fuel
212 delivery.

213 (h) Except for the underground tank addendum required pursuant
214 to subdivision (3) of subsection (a) of this section, the provisions of this
215 section shall not apply to existing customers of a heating fuel dealer on
216 July 1, 2013, who have valid written contracts on said date. The
217 provisions of this section shall apply as of the renewal or expiration
218 dates of such contracts.

219 (i) A consumer shall have the right to cancel his or her relationship
220 with a heating fuel dealer without penalty for an above-ground tank
221 that is lent or leased if such relationship is based upon either an oral
222 agreement or a course of dealing. No tank removal charge or forfeiture
223 of unused heating fuel shall be permitted if a consumer cancels such
224 relationship. The consumer shall be entitled to a refund of all unused
225 heating fuel at the same price at which the consumer purchased such
226 heating fuel.

227 (j) The Commissioner of Consumer Protection may adopt
228 regulations pursuant to chapter 54 to: (1) Establish a consumer bill of
229 rights regarding home heating dealers, (2) require heating fuel dealers
230 to provide consumers with such consumer bill of rights prior to
231 entering into a contract, and (3) permit home heating dealers to post
232 such consumer bill of rights on their Internet web sites or record and

233 play back such consumer bill of rights when consumers call the offices
234 of such heating fuel dealers.

235 (k) A violation of the provisions of this section shall be an unfair
236 trade practice under subsection (a) of section 42-110b.

237 [(b)] (l) Any [person, firm or corporation] heating fuel dealer who
238 violates [subsection (a)] any provision of this section shall be fined not
239 more than [one] five hundred dollars for the first offense, [nor more
240 than five hundred dollars for each subsequent offense] not more than
241 seven hundred fifty dollars for a second offense occurring not more
242 than three years after a prior offense and not more than one thousand
243 five hundred dollars for a third or subsequent offense occurring not
244 more than three years after a prior offense.

245 Sec. 3. Section 16a-22a of the general statutes is repealed and the
246 following is substituted in lieu thereof (*Effective July 1, 2013*):

247 (a) No [retail] heating fuel dealer [of fuel oil or propane] shall
248 require that any regular [customer] consumer of such dealer accept a
249 minimum delivery of heating fuel [oil or propane] of [over] not less
250 than one hundred gallons or seventy-five per cent of primary tank size,
251 whichever is less, as a condition of delivery by such dealer.

252 (b) Any heating fuel dealer who violates the provisions of this
253 section shall be fined not more than five hundred dollars for the first
254 offense, not more than seven hundred fifty dollars for a second offense
255 occurring not more than three years after a prior offense and not more
256 than one thousand five hundred dollars for a third or subsequent
257 offense occurring not more than three years after a prior offense.

258 Sec. 4. Section 16a-22k of the general statutes is repealed and the
259 following is substituted in lieu thereof (*Effective July 1, 2013*):

260 (a) No [person, firm or corporation or any officers, agents or
261 employees thereof,] heating fuel dealer shall condition the availability
262 of [fuel oil] burner maintenance or repair service upon the agreement

263 of any [purchaser or potential purchaser] consumer to purchase
264 heating fuel [oil] from such [person, firm or corporation] dealer,
265 provided, any [person, firm or corporation] dealer may give priority
266 for service to any [person] consumer who has [an oil] a heating fuel
267 delivery contract with such [person, firm or corporation] dealer.

268 (b) Any [person, firm or corporation] dealer who sells [at retail fuel
269 oil or propane gas to be used for residential space] heating fuel and
270 who has established a schedule of payments plan with a [retail
271 customer,] consumer shall, upon notice of termination of future [oil]
272 heating fuel deliveries, return to such [customer] consumer, within ten
273 days of receiving [any] such notice, any moneys collected in excess of
274 the retail price for heating fuel actually delivered, provided [,] this
275 subsection shall not apply to a schedule of payment plan in which a
276 specific product unit price is agreed upon for the length of the plan.

277 (c) Each [person, firm or corporation] heating fuel dealer who sells
278 under a trade name [at retail] heating fuel [oil or propane gas to be
279 used for residential space heating] or who provides service for heating
280 fuel [oil or propane] burners shall disclose to any [customer] consumer
281 or potential [customer] consumer on any communication and invoice
282 and in any advertising, the name of the person or entity which has
283 filed a certificate to use such a trade name, as required by and
284 pursuant to section 35-1.

285 (d) Any violation of subsections (a) to (c), inclusive, of this section
286 shall be deemed an unfair or deceptive trade practice under section 42-
287 110b.

288 (e) Any heating fuel dealer who violates the provisions of this
289 section shall be fined not more than five hundred dollars for the first
290 offense, not more than seven hundred fifty dollars for a second offense
291 occurring not more than three years after a prior offense and not more
292 than one thousand five hundred dollars for a third or subsequent
293 offense occurring not more than three years after a prior offense.

294 Sec. 5. Section 16a-23m of the general statutes is repealed and the

295 following is substituted in lieu thereof (*Effective July 1, 2013*):

296 [(a) No person, firm or corporation shall engage in the retail sale of
297 home heating oil or propane gas without a certificate of registration as
298 a home heating oil or propane gas dealer issued pursuant to this
299 section. Only one registration shall be required of a dealer to engage in
300 both the retail sale of heating oil and propane gas.]

301 (a) As used in this section and sections 16a-23n to 16a-23r, inclusive,
302 as amended by this act:

303 (1) "Capped price plan" means an agreement where the cost to the
304 consumer of heating fuel shall not increase above a specified price per
305 gallon and the consumer shall pay less than the specified price under
306 circumstances specified in such contract;

307 (2) "Commissioner" means the Commissioner of Consumer
308 Protection;

309 (3) "Consumer" means a direct purchaser of heating fuel from a
310 heating fuel dealer, when such fuel is the primary source of heating
311 fuel for residential heating or domestic hot water to one or more
312 dwelling units within a structure having not more than four dwelling
313 units;

314 (4) "Forwards contract" means an agreement between two parties to
315 buy or sell an asset at a certain future time for a certain price;

316 (5) "Futures contract" means a standardized, transferable, exchange-
317 traded agreement that requires delivery of heating fuel at a specified
318 price on a specified future date;

319 (6) "Gallon" means an accepted unit of measure consisting of two
320 hundred thirty-one cubic inches, for all liquid or gaseous heating fuel,
321 subject to modifications allowed under regulations adopted pursuant
322 to section 43-42;

323 (7) "Guaranteed price plan", also known as "guaranteed plan", "fixed

324 price", "buy ahead", "prebuy", "prebought", "prepaid", "full price", "lock
325 in", "capped", "price cap", or other similar terminology, when used to
326 describe a contract, means a type of contract offering heating fuel at a
327 guaranteed future price or at a maximum future price;

328 (8) "Heating fuel" means any petroleum based fuel used as a
329 primary source of residential heating or domestic hot water, including
330 petroleum products regulated pursuant to chapter 250;

331 (9) "Heating fuel dealer" or "dealer" means any individual or group
332 of individuals, a firm, partnership, corporation, cooperative or limited
333 liability company that offers the retail sale of heating fuel to
334 consumers;

335 (10) "Heating oil" means a predominantly liquefied petroleum
336 product at ambient temperatures, that is sold as a commodity and is a
337 primary source of residential heating or domestic hot water, including
338 products known as #2 oil (heating oil), #1 oil (kerosene), #4 oil, bio
339 fuels, or any bio fuel blended with conventionally refined fossil fuel
340 commodities and that meets the requirements of the American Society
341 for Testing and Materials Standard D396, as amended from time to
342 time;

343 (11) "Maintain" means retention of the balance, measured in gallons
344 or other accepted units of measure, of heating fuel that remains to be
345 delivered to consumers who are party to a guaranteed price plan
346 contract;

347 (12) "Physical supply contract" means an agreement for wet barrels
348 or gallons of heating fuel that has been secured by a heating fuel
349 dealer;

350 (13) "Propane" or "liquefied petroleum gas (LPG)" means a
351 petroleum product that meets ASTM specification D1835, as amended
352 from time to time, and is composed predominantly of any of the
353 following hydrocarbons or mixtures thereof: Propane, propylene,
354 butanes (normal butane or isobutane), and butylenes and is intended

355 for use, among other things, as a fuel for residential heating; and

356 (14) "Surety bond" means a bond issued by a licensed insurance
357 company or banking institution as surety for a dealer obligating the
358 surety to the commissioner in a sum certain in guaranty of the full and
359 faithful performance by the dealer of prepaid guaranteed price plan
360 contracts entered into pursuant to this chapter.

361 (b) No heating fuel dealer shall engage in the sale of heating fuel
362 without a certificate of registration as a heating fuel dealer issued
363 pursuant to this section. No federally established heating assistance
364 agency shall be required to register. Only one registration shall be
365 required of a dealer to engage in both the retail sale of heating oil and
366 propane. A separate certificate of registration is required for each name
367 that a heating fuel dealer does business as or advertises.

368 [(b)] (c) Each person, firm or corporation seeking registration as a
369 [home heating oil or propane gas] heating fuel dealer shall apply
370 annually for a certificate of registration with the Department of
371 Consumer Protection on forms prescribed by the [Commissioner of
372 Consumer Protection] commissioner. Each heating fuel dealer shall
373 disclose on such forms all affiliated companies registered with the
374 department that are under common ownership or have interlocking
375 boards of directors. Each applicant shall pay a registration fee of two
376 hundred dollars. The commissioner shall require all applicants for
377 registration as a [home heating oil or propane gas] heating fuel dealer
378 to provide evidence of general liability insurance coverage and
379 insurance to cover any potential environmental damage due to heating
380 fuel [oil] spills or [propane gas] leaks caused by such applicant as a
381 registered dealer which coverage shall be not less than one million
382 dollars. Each registered dealer shall provide the department with
383 evidence of each renewal of or change to such insurance coverage not
384 later than five days after such renewal or change during the period of
385 registration, which renewal or change shall meet the requirements of
386 this subsection.

387 [(c)] (d) Each registered dealer shall display its registration number
388 in all advertisements and other materials prepared or issued by the
389 dealer, which contain information [on] regarding such dealer,
390 including, but not limited to, all contracts, delivery tickets, letters and
391 vehicle advertisements.

392 [(d)] (e) The insurance company of a [home heating oil or propane
393 gas] heating fuel dealer shall notify the [Commissioner of Consumer
394 Protection] commissioner, in writing, upon cancellation of insurance
395 required by subsection [(b)] (c) of this section by any [home] heating
396 [oil or propane gas] fuel dealer. The [Commissioner of Consumer
397 Protection] commissioner shall revoke the registration of any such
398 dealer without the insurance coverage required by subsection [(b)] (c)
399 of this section.

400 Sec. 6. Section 16a-23n of the general statutes is repealed and the
401 following is substituted in lieu thereof (*Effective July 1, 2013*):

402 (a) A contract for the retail sale of [home heating oil or propane gas]
403 heating fuel that offers a guaranteed price plan [, including fixed price
404 contracts and any other similar terms,] shall be in writing and the
405 terms and conditions of such guaranteed price plan shall be disclosed.
406 Such disclosure shall be in plain language and shall immediately
407 follow the language concerning the price or service that could be
408 affected and shall be printed in no less than twelve-point boldface type
409 of uniform font.

410 (b) A [home heating oil or propane gas] heating fuel dealer that
411 advertises a price shall offer such price for a period of no less than
412 twenty-four hours or until the next advertised price is publicized,
413 whichever occurs first.

414 (c) Each capped price plan and any guaranteed price plan that
415 includes the terms "cap", "capped", "maximum", "not to exceed" or any
416 other similar term or description shall not increase above a specified
417 price per gallon. The contract for such plan shall contain clear and
418 specific language stating how and under what circumstances the price

419 will decrease, if applicable.

420 [(c) No home heating oil or propane gas] (d) A heating fuel dealer
421 shall, [enter into, renew or extend a prepaid home heating oil or
422 propane gas contract or a capped price per gallon home heating oil
423 contract unless such dealer has] not later than five business days after
424 entering into a prepaid guaranteed price plan contract, either: (1)
425 [Obtained and maintained] Obtain heating [oil or propane gas] fuel
426 physical inventory to which such dealer holds title, heating fuel
427 futures or forwards contracts, physical supply contracts or other
428 similar commitments the total amount of which allow such dealer to
429 purchase, at a fixed price, heating [oil or propane gas] fuel in an
430 amount not less than eighty per cent of the maximum number of
431 gallons or amount that such dealer is committed to deliver pursuant to
432 all prepaid [home heating oil or propane gas] guaranteed price
433 contracts entered into [, renewed or extended] by such dealer, [or that
434 such dealer estimates is committed pursuant to all capped price per
435 gallon home heating oil or capped price per unit propane gas
436 contracts, respectively,] or (2) [obtained and maintained] obtain a
437 surety bond in an amount not less than fifty per cent of the total
438 amount of funds paid to the dealer by consumers pursuant to prepaid
439 [home heating oil or propane gas] guaranteed price plan contracts. [or
440 that the dealer estimates will be paid to the dealer by consumers
441 pursuant to all capped price per gallon home heating oil or capped
442 price per unit propane gas contracts, respectively.] A heating fuel
443 dealer shall, not later than five business days after entering into a
444 guaranteed price plan contract that is not prepaid, obtain heating fuel
445 physical inventory to which such dealer holds title, heating fuel
446 futures or forwards contracts, physical supply contracts or other
447 similar commitments the total amount of which allow such dealer to
448 purchase, at a fixed price, heating fuel in an amount not less than
449 eighty per cent of the maximum number of gallons or amount that
450 such dealer is committed to deliver pursuant to all guaranteed price
451 plan contracts entered into by such dealer. Such dealer shall maintain
452 such total amount of futures or forwards or physical supply contracts

453 or other similar commitments or the amount of the surety bond
454 required by this subsection for the period of time for which such
455 [prepaid home heating oil or propane gas] guaranteed price plan
456 contracts [or capped price per gallon home heating oil or capped price
457 per unit propane gas contracts] are effective, except that the total
458 amount of such futures or forwards or guaranteed price plan contracts
459 or other similar commitments or the amount of the surety bond may be
460 reduced during such period of time to reflect any amount of [home]
461 heating [oil or propane gas] fuel already delivered to and paid for by
462 the consumer.

463 [(d)] (e) No [prepaid home heating oil or propane gas] guaranteed
464 price plan contract shall require any consumer commitment to
465 purchase [home heating oil or propane gas] heating fuel pursuant to
466 the terms of such contract for a period of more than eighteen months.
467 A guaranteed price plan contract for the purchase of heating fuel may
468 not contain an automatic contract renewal or extension clause.

469 [(e)] (f) Any [prepaid home heating oil or propane gas] guaranteed
470 price plan contract shall indicate, in clear and specific language: (1) The
471 amount of funds paid by the consumer to the heating fuel dealer under
472 such contract, (2) the maximum number of gallons of [home heating oil
473 or maximum amount of propane gas] heating fuel committed by the
474 dealer for delivery to the consumer pursuant to such contract, [and] (3)
475 that performance of such [prepaid home heating oil or propane gas]
476 guaranteed price plan contract is secured by one of the [two] options
477 described in subsection [(c)] (d) of this section, and (4) if the price of
478 heating fuel is subject to fluctuation, the circumstances under which
479 the price may fluctuate. Any such contract shall provide that the
480 contract price of any undelivered [home heating oil or propane gas]
481 heating fuel owed to the consumer under the contract, on the end date
482 of such contract, shall be reimbursed to the consumer not later than
483 thirty days after the end date of such contract unless the parties to such
484 contract agree otherwise.

485 [(f)] (g) Each [home heating oil or propane gas] heating fuel dealer

486 who enters into [, renews or extends prepaid home heating oil or
487 propane gas] guaranteed price plan contracts [or capped price per
488 gallon home heating oil contracts or capped price per unit propane gas
489 contracts] shall inform the Commissioner of Consumer Protection, in
490 writing, that such dealer is entering into [, renewing or extending] such
491 contracts and shall identify any entity from which the dealer has
492 secured futures or forwards contracts, physical supply contracts or
493 other similar commitments or a surety bond pursuant to subsection
494 [(c)] (d) of this section. Each such dealer shall notify the commissioner
495 if at any time the total amount of such secured futures or forwards
496 contracts, physical supply contracts or other such similar commitments
497 held by the dealer is less than eighty per cent of the maximum number
498 of gallons or amount that such dealer is committed to deliver pursuant
499 to all such [prepaid home heating oil or propane gas] contracts entered
500 into [, renewed or extended] by such dealer [or that such dealer
501 estimates it is committed to deliver pursuant to all of its capped price
502 per gallon home heating oil or capped price per unit propane gas
503 contracts, respectively] or, if the total amount of such surety bond is
504 not more than fifty per cent of the remaining balance of funds
505 consumers paid pursuant to prepaid guaranteed price plan contracts.
506 The commissioner shall prescribe the form in which such information
507 shall be reported.

508 [(g)] (h) Each person from which a [home heating oil or propane
509 gas] heating fuel dealer has secured a futures, [or] forwards or physical
510 supply contract or other similar commitment or a surety bond
511 pursuant to subsection [(c)] (d) of this section shall notify the
512 Commissioner of Consumer Protection, in writing, of the cancellation
513 of such contract or other similar commitment or surety bond not later
514 than three business days after such cancellation.

515 Sec. 7. Section 16a-23p of the general statutes is repealed and the
516 following is substituted in lieu thereof (*Effective July 1, 2013*):

517 The Department of Consumer Protection may suspend or revoke
518 any registration issued under section 16a-23m, as amended by this act,

519 if the holder of such registration is grossly incompetent, engages in
520 malpractice or unethical conduct or knowingly makes false,
521 misleading or deceptive representations regarding such holder's work,
522 violates any provision of section 16a-23n, as amended by this act, fails
523 to comply with any subpoena issued pursuant to this section or
524 violates any regulations adopted under section 16a-23q. Before any
525 such registration is suspended or revoked, such holder shall be given
526 notice and opportunity for hearing as provided in regulations adopted
527 by [the Commissioner of Consumer Protection] said commissioner in
528 accordance with the provisions of chapter 54. Said commissioner may
529 compel by subpoena, at his or her discretion, the production of any
530 documents from any heating fuel dealer or from any provider of
531 futures or forwards contracts, physical supply contracts or other
532 similar commitments or a surety bond, regarding compliance with the
533 provisions of sections 16a-23m to 16a-23r, inclusive, as amended by
534 this act.

535 Sec. 8. Section 16a-23r of the general statutes is repealed and the
536 following is substituted in lieu thereof (*Effective July 1, 2013*):

537 (a) A violation of the provisions of section 16a-23m, as amended by
538 this act, 16a-23n, as amended by this act, or 16a-23o constitutes an
539 unfair trade practice under subsection (a) of section 42-110b.

540 (b) In accordance with the provisions of section 53a-11, any [home
541 heating oil] heating fuel dealer who knowingly violates the provisions
542 of subsection [(c)] (d) of section 16a-23n, as amended by this act, shall
543 have committed a class A misdemeanor.

544 (c) Any person, firm or corporation who violates the provisions of
545 section 16a-23m, as amended by this act, 16a-23n, as amended by this
546 act, or 16a-23o shall be fined not more than five hundred dollars for
547 the first offense, not more than seven hundred fifty dollars for a second
548 offense occurring not more than three years after a prior offense and
549 not more than one thousand five hundred dollars for a third or
550 subsequent offense occurring not more than three years after a prior

551 offense.

552 Sec. 9. (NEW) (*Effective July 1, 2013*) Nothing in sections 16a-17, as
 553 amended by this act, 16a-21, as amended by this act, 16a-22a, as
 554 amended by this act, 16a-22k, as amended by this act, 16a-23m, as
 555 amended by this act, 16a-23n, as amended by this act and 16a-23p, as
 556 amended by this act, shall validate a contract provision or clause that
 557 would otherwise be unenforceable pursuant to section 42-150u of the
 558 general statutes.

559 Sec. 10. Section 16a-22b of the general statutes is repealed. (*Effective*
 560 *July 1, 2013*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	16a-17
Sec. 2	<i>July 1, 2013</i>	16a-21
Sec. 3	<i>July 1, 2013</i>	16a-22a
Sec. 4	<i>July 1, 2013</i>	16a-22k
Sec. 5	<i>July 1, 2013</i>	16a-23m
Sec. 6	<i>July 1, 2013</i>	16a-23n
Sec. 7	<i>July 1, 2013</i>	16a-23p
Sec. 8	<i>July 1, 2013</i>	16a-23r
Sec. 9	<i>July 1, 2013</i>	New section
Sec. 10	<i>July 1, 2013</i>	Repealer section