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3/19/13 COMMERCE COMMITTEE TESTIMONY
HB-6650 BILL TO TAX HOME HEATING OIL TO FUND ENERGY PROGRAMS

DEAR COMMITTEE MEMBERS:

I WAS APPAULED TO LEARN YESTERDAY THROUGH THE NEWS MEDIA AND CONSTITUENT CALLS THAT THE COMMERCE COMMITTEE HAS INTRODUCED A BILL TO INITIATE A TAX ON HOME HEATING OIL.

I OPPOSE THIS LEGISLATION HOWEVER WELL INTENTIONED IT MAY "APPEAR" AS IT WILL ONLY ADD TO THE ALREADY HIGH COST OF HEATING OIL, INCREASE THE POTENTIAL FOR PRICE GOUGING AND ONLY ADD TO THE HIGH PRICE OF HEATING OIL WE HAVE BEEN EXPERIENCING FOR A LONG TIME. BASED ON MY OWN EXPERIENCE, MY COST PER GALLON THIS YEAR HAS RANGED FROM \$3.79 TO \$3.89 PER GALLON MAKING IT UNAFFORDABLE TO FILL THE AVERAGE TANK OF 270 GALLONS IN A SINGLE DELIVERY AT A COST OF **OVER \$1,000 PER MONTH**. LIKE MOST PEOPLE, I HAVE INSTEAD OPTED FOR MORE FREQUENT DELIVERS AS ALLOWED BY LAW OF 100 GALLONS PER DELIVERY.

TO TRIVIALIZE THE IMPACT OF THIS TAX AS "JUST A PENNY OR TWO" IS DISINGENIOUS AND DECEIVING AS WE ALL KNOW THAT A ONE OR TWO PENNY TAX TRANLATES TO MUCH MORE IN THE PRICING MARKET RESULTING IN \$30 TO \$50 PLUS DOLLARS IN ADDITIONAL COSTS TO THE HOMEOWNER AT THE ACTUAL TIME OF DELIVERY – AND, YES, BASED ON THE OPEN MARKET THIS ADDITIONAL TAX WOULD GIVE GREATER LICENSE TO HIGHER PRICING IN THE WINTER WHEN THERE IS GREATEST DEMAND.

FURTHER, HOME HEATING OIL IS BASED ON DIESEL FUEL, MAKING BOTH DIESEL AND HOME HEATING OIL CLOSELY ALLIGNED IN PRICING, BOTH OF WHICH ARE HIGHER IN COST THAN GASOLINE WHICH IS PURCHASED IN SMALLER QUANTITIES. THERE IS NO QUESTION IN MY MIND THAT HOME HEATING OIL IS ALREADY TAXED AT THE "DIESEL" LEVEL ESPECIALLY SINCE HOME HEATING OIL IS ALWAYS PRICED HIGHER THAN GASOLINE! EVERY TIME THE DIESEL FUEL TAX GOES UP, HOME HEATING OIL GOES UP AND THERE IS NO QUESTION THAT THE DIESEL FUEL INCREASE IN THE TAX PACKAGE A COUPLE OF YEARS AGO HAS RESULTED IN HIGHER PRICES OF HOME HEATING OIL THIS WINTER.

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HB 6650 Taxing of Home Heating Oil to Fund Energy Programs

AS FAR AS EFFICIENT BOILERS ARE CONCERNED, THE KEY TO EFFICIENCY AND ENERGY REDUCTION IS REGULAR MAINTENANCE SUCH AS TUNE-UPS, FILTER CHANGES AND CLEANING. THAT'S WHY THE MAJORITY OF HOME OWNERS HAVE A SERVICE CONTRACT FOR YEARLY MAINTENANCE WITH THEIR OIL DEALERS.

DEEP SHOULD BE EDUCATING THE PUBLIC ON THE IMPORTANCE OF DOING PROPER MAINTENANCE RATHER THAN ADVOCATING TO INCREASE COSTS TO CONSUMERS BY INITIATING A TAX ON OIL TO HIT CONSUMERS EVEN MORE HARSHLY. **PURA NOT DEEP IS THE WATCH DOG AGENCY FOR CONSUMERS AND I WOULD SPECULATE THAT PURA WOULD SEE THIS AS AN UNDUE BURDEN ON CONSUMERS.**

I URGE YOU TO OPPOSE THIS CONSUMER UNFRIENDLY MEASURE AS IT WILL CREATE GREATER HARDSHIPS FOR HOMEOWNERS WHO ARE ALREADY STRUGGLING TO KEEP WARM DURING OUR COLD NEW ENGLAND WINTERS AND ARE ALREADY FACING UNAFFORDABLE PRICES.

Rep. Claire Janowski

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