

# Apple Oil

March 7, 2013

Co-Chair Bob Duff  
Co-Chair Lonnie Reed  
Senator Clark J. Chapin  
Representative Laura R. Hoydick

Energy and Technology Committee:

I am submitting testimony in **support of section 18 and in opposition to section 19 of H.B. 6360, AN ACT CONCERNING IMPLEMENTATION OF CONNECTICUT'S COMPREHENSIVE ENERGY STRATEGY.**

My name is Sharon Peterson, I work at my family business located in West Haven. Apple Oil has been in business for 30 years, we sell home heating oil in New Haven and Fairfield County. I am also the Chair of the Connecticut Energy Marketers Association (formerly ICPA) Board of Directors.

When we first heard that Governor Malloy wanted to create an energy plan that is “cleaner, cheaper and more reliable” our membership was excited.

**Cleaner** - with the advent of Bioheat and ultra low sulfur heating oil we have the cleanest fossil fuel on the planet. Even cleaner than natural gas!

**Cheaper** - for most of the last three decades heating oil has been the lowest cost way to heat homes and businesses, and now we are working with the CFTC to implement rules to reign in speculation so we can reduce the cost of oil in the future.

**More reliable** – heating oil is the most reliable fuel in Connecticut. Oil dealers throughout the state recently had to deliver oil to interruptible natural gas users throughout the state including the UCONN Medical Center and Yale University. We are the supplier of last resort when natural gas pressure is low and or the price spikes.

When we learned that Governor wanted an energy policy that is cleaner, cheaper and more reliable, we thought that we would fit right into his plan. Unfortunately, we found out that the Comprehensive Energy Strategies (CES) goal was to move 300,000 oilheat customers to natural gas, we were disappointed to say the least.

Section 19 of H.B. 843 seems to be an attempt to begin the process of achieving that goal, at the expense of hundreds of mom and pop heating oil dealers. It is difficult to understand why natural gas utilities need change the “hurdle rate” to get our customers to convert. This year alone, NU/NSTAR has issued millions of dollars in stock options to their Board of Directors and returned millions more in the form of dividends to their shareholders. Why do they need to change a rate that has been set by regulators at PURA?

Since no one can predict future energy prices, fuel switching is no guarantee of any savings. Beyond today, no one can tell you what the price of energy will be, and if they tell you they know, be very skeptical. Let PURA determine what is in the best interests of ratepayers when it comes to the hurdle rate. They have all of the information that they need to make a fair and educated decision. Setting the hurdle rate in law seems to circumvent the protections that PURA provides consumers.

If we can't guarantee savings on the cost of energy by switching fuels, the only option is to use less fuel. **Conservation, not conversion** is the only proven way to spend less to heat your home.

Finally, I support the cleaner fuel standard proposed in section 18 that reduces the sulfur content of heating oil from 3000ppm to 15ppm.

I ask that the Energy Committee amend the language in H.B. 6360, AN ACT CONCERNING IMPLEMENTATION OF CONNECTICUT'S COMPREHENSIVE ENERGY STRATEGY to prohibit monopolies from recovering their costs from their existing ratepayers when they expand their infrastructure.

I would be happy to answer any questions you may have at this time.

Thank you.

Respectfully,

*Sharon Peterson*