

Apple Oil Company
West Haven, CT
HOD# 374

February 25, 2014

Dear Members of the General Law Committee:

My name is Sharon Peterson; I work at my family business, Apple Oil Company, located in West Haven. Apple Oil has been in business for 35 years; we build single-family homes and sell home heating oil in New Haven and Fairfield County.

I am here today to testify in opposition to SB 299.

My opposition hinges on the following major points:

1. A guaranty fund is the wrong mechanism for the intended purpose. This type of fund provides essentially a state funded insurance program for the bad behavior of a few individuals, ultimately providing incentive for the very behavior it is intended to stop. A bail out program, after the fact, is not the answer.
2. To apply a fee of this sort amounts to a tax on a commodity, which will only cause more harm (through increased costs) to all consumers. Consumers will ultimately will be paying for the failure of a few and for the decisions some consumers make willingly to pre-buy their oil.
3. This type of fee is regressive in nature: small companies pay as much as large companies.
4. The history of the tank fund and the language of this bill itself allows for the fund to be used for general budget purposes, contrary to the intent of the bill.
5. The fund would charge every company whether the company sells a pre-buy program or not, passing this cost onto customers who do not choose a pre-buy option.

I would ask that this bill be opposed and that we all work together to find a solution that does not add costs to consumers and small businesses. Such a solution should incorporate clearer documentation and enforcement of current legislation for prepaid contracts, disclosures to consumers regarding the risks involved and credit card protection, and seasonally timed mandates for offering the contracts.

Thank you very much for your time and consideration.