

# Issue Brief



Heating Fuel Consumer Protections

## **Heating Fuel Consumer Protections**

Connecticut's consumer protection laws for residential heating fuel sales include requirements for:

- annual dealer registrations,
- written contracts,
- delivery tickets disclosures, and
- advertising.

They also limit the allowable fees, charges, and surcharges and provide penalties for violations.

#### **Annual Registration**

To sell heating fuel, a person, firm, or corporation must annually register as a <u>heating fuel dealer</u> with the Department of Consumer Protection (DCP). DCP may suspend or revoke a dealer's registration for, among other things, gross incompetence; malpractice or unethical conduct; false, misleading, or deceptive representations regarding its work; or violations of contract requirements.



#### What is Heating Fuel?

Heating Fuel is any petroleum-based fuel used as a primary source of residential heating or domestic hot water (e.g., **heating oil** and **propane**).

#### Allowable Fees, Charges, or Surcharges

The law limits allowable fees, charges, or surcharges for consumer-initiated deliveries to instances where the delivery:

- is for less than 100 gallons,
- is made outside the dealer's normal service area or business hours, or
- caused the dealer to incur extraordinary labor costs for the delivery.

#### **Advertising Requirements**

Dealers must display their registration number in all advertisements and other prepared materials, including contracts, delivery tickets, letters, and vehicle advertisements.

#### **Contract Requirements**

#### **General Contracts**

With certain exceptions, Connecticut law requires dealers to have a written contract when they sell residential heating fuel. The contracts must

- be in plain language;
- be printed in 12-point, boldface type of uniform font; and
- include all delivery terms and conditions and the amount of fees, charges, surcharges, or penalties, which must not increase before the contract expires.

A contract's duration may generally be up to 36 months, but the dealer must offer the consumer the option to enter a bona fide, commercially reasonable contract for 18 months.

#### **Guaranteed Price Plans**

The law provides additional requirements for dealers who sell guaranteed price plans and prepaid contracts. Guaranteed price plans are not paid in advance but offer the fuel at a guaranteed or maximum future price. Prepaid contracts are prepaid and offer heating fuel at a guaranteed price.

Prepaid contracts must also disclose certain additional information, including the circumstances under which the price may fluctuate (if the price is subject to fluctuation).

The law requires dealers to secure these contracts by obtaining either the necessary fuel or a surety bond. They must notify DCP when entering these contracts and if the security drops below certain thresholds.

### **Delivery Ticket**

Dealers must provide consumers or their agents with a delivery ticket at time of delivery. The ticket must show (1) a clearly indicated unit price; (2) the total number of gallons or units sold; and (3) the amount of any allowable fee, charge, or surcharge.

Dealers cannot bill or attempt to collect an amount greater than the unit price multiplied by the total amount stated on the ticket, plus any allowable fee, charge, or surcharge on the ticket.



#### Violations

A violation of the registration, contract, or advertisement provisions is violation of the Connecticut Unfair Trade Practice Act (CUTPA), which prohibits businesses from engaging in unfair and deceptive acts or practices.

Failing to secure a contract as required is a class A misdemeanor, punishable by up to 364 days imprisonment, up to a \$2,000 fine, or both. Dealers must also be fined up to \$500 for the first offense, up to \$750 for a second offense within three years of the prior offense, and up to \$1,500 for subsequent offenses within three years of a prior offense.



Prepaid Heating Fuel Contracts (2022-R-0247)

Heating Fuel Contracts Fact Sheet, DCP

Heating Fuel Buying Tips, DCP

Fuel Complaints, DCP



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