



Consumer Watch

A Monthly Newsletter from the Connecticut Department of Consumer Protection

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Dannel P. Malloy, Governor

www.ct.gov/dcp

Vol. 5 No. 2 September 2015

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Suggested Links

www.ct.gov/dcp

Our website offers the latest and most comprehensive information that we have on dozens of consumer-related topics!

www.smartconsumer.ct.gov

Basic information to protect yourself and avoid scams!

<https://www.elicense.ct.gov>

To verify a license, permit or registration, or to run a roster of licensees. Also the place for online renewal!

Contact Us

www.ct.gov/dcp

dcp.communications@ct.gov

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Fuel Plans and Contracts: Handle With Care



For many, September brings a return to school and busier schedules, longer commutes due to traffic, and fewer evenings outdoors. As the nights get cooler, we realize that we need to plan for heating our home this winter! The following three steps will keep you on track.

STEP 1: Research, then choose a heating fuel retailer. If you already have an established relationship with a fuel supplier you trust, you probably have no concerns. But if you are looking to shop around and possibly change suppliers, read on.

Homework isn't just for kids

Don't choose a dealer based on advertising or price alone. If you're going to pre-pay, you'll be handing over a lot of money to a stranger.

Do some research. Call around for prices first, so you know what the market is like. Visit the Department of Energy and Environmental Protection's **Heating Oil Monitoring Program web page** for current prices. Each October, we publish a **list of companies** offering pre-pay fuel contracts. While our current online list is being updated for 2015, it can still be a good place to begin your search now.

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Commissioner's Comments

It's our mission at DCP to protect consumers in a thoughtful, cost effective manner that does not overburden businesses that play by the rules. One of the best ways to accomplish this is by providing consumers the information they need to protect themselves. In this addition of Consumer Watch, we provide important information on home heating contracts, robo-calls and some tips on how to be better prepared for an emergency.

The key to protecting yourself is never to act unless you understand all of the facts. We hope this newsletter will help. If you have any specific questions or concerns, please contact me at jonathan.harris@ct.gov or at 860-713-6050.



Handle with care *(from page 1)*

- Ask family, neighbors and friends who they use and ask if they've had problems with their dealer.
- Confirm that any fuel dealer you are considering is licensed in Connecticut and get the license number. Go online to www.ct.gov/dcp to verify that the company is properly registered. You may call us at 1-800-8342-2649 to learn about any closed com-plaints that we have on file.
- Visit the Better Business Bureau website at www.ct.bbb.org to read about the company and to review any consumer complaints.
- Ask the company for references and check them.

STEP 2: Choose a price plan

How and when you pay for your heating fuel could save you money, but be sure you know what you're getting into.

See article at right.

- Most fuel companies will let you buy fuel as you need it, but prices typically tend to rise during the colder months. And, if fuel supplies are disrupted for any reason, pre-paid contract customers will have priority on fuel delivery.
- If you decide to go with a price plan, read your contract carefully! Review all terms and conditions, and ask questions before signing on. Dealers can charge a penalty fee if you break your contract.

STEP 3: Weatherize your home!

- Install a programmable thermostat, which can save about \$150 in annual energy costs. In the winter, set your home temperature down eight degrees for when the house is empty during the day, and again at night when you're in bed.
- Now is a good time to give your heating system an "annual checkup." Contact your fuel company or the company that installed your furnace or boiler to inspect and tune the system.
- Get a home energy audit. Learn more at this site: www.ctenergyinfo.com/Weatherization.



When ignorance isn't bliss:

Understanding heating fuel plans and contracts

Many heating fuel dealers offer price protection programs. These take the form of fixed price contracts or cap price contracts. A number of dealers also offer pre-buy programs and budget plans. The first three of these offer a degree of risk to both buyer and seller.

Before entering into any agreement, make sure you understand how these plans work, their similarities and differences. Each of these plans involve a **contract**, which is **binding once you sign it**. You will probably pay a penalty if you back out.

1. A fixed price contract is signed before the heating season. You and the fuel dealer agree on a price per gallon that you will pay for every gallon you buy during the season. The dealer needs to set a price that is high enough so they don't lose money if market prices rise, but low enough that customers will choose that option. Fixed price contracts

are good for you if prices go up. But, as was the case last winter, if fuel prices drop, you will be locked into a higher rate and pay more.

2. A cap price contract is also signed before the heating season. You and the fuel dealer agree that you will pay the market price per gallon whenever a delivery is made -- but only up to a certain dollar amount -- the "cap price" that you jointly choose. You will not pay more per gallon than the cap price, even if the market price is higher. Your per-gallon price may drop if the market price decreases.

3. In a pre-buy plan, you actually purchase fuel in advance. Before the heating season begins, you and the fuel company make an agreement on a fixed price and a set amount of fuel that you will buy over the winter. You pre-pay for that fuel. You then have a claim on that amount of fuel for the time period of the contract. You should expect that it will be delivered to you.

Under Connecticut law, pre-buy contracts may only be signed between April 1st and October 31st each year.

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What's in your toolbox for emergencies?

So far this year, the weather in Connecticut has not included massive tropical storms causing power outages, falling trees or major flooding. Use this opportunity to plan ahead. Create or review your own "emergency toolbox" to be sure you have what you need.

The "tools" we're suggesting -- names and contact information of trusted repair and service companies that you might need following an emergency -- are **in addition to** safety and security supplies recommended by the **American Red Cross** and Connecticut's **Department of Emergency Services and Public Protection**. Our suggestions are meant to provide an extra level of convenience and assurance when the time comes for emergency cleanup and repair.

Add these informational "tools" to your emergency toolbox:

Locksmith - Find one in your area with a physical street address -- not just a phone number, PO box or website. Many fly-by-night companies rely on business from frantic, last-minute internet searches. Such companies may be here today, gone tomorrow. Before you find yourself locked out of your car or home, track down a reputable locksmith and verify that he or she is registered with the Department of Consumer Protection. Store that name and number in few safe places, including your cell phone!

Plumber - If you don't have a regular plumber, talk to friends and family about who they've used, and whether they did a good job at a fair price. Did they clean up afterwards or leave a mess? There are many plumbing license categories and each is qualified for a different type of work. After you call several and check their qualifications and references, choose a licensed and respected plumbing company that offers the services you may need.

Electrician -- As with a plumber, ask for references from people you trust. Different license types are qualified for different types of electrical work. After calling several companies and checking references, choose a licensed, respected electrical company for your toolbox.

Home Improvement Contractor - Talk to people, get names of reliable, skilled contractors, and carefully check references. Speak with your local building inspector, even if only to learn who you should avoid. Remember to verify that your contractors are registered with the Department of Consumer Protection!

You can verify all the above licenses and registrations online at <https://www.elicense.ct.gov>

Tree Service / Arborist - If a tree falls on your property and needs to be completely removed, a registered home improvement contractor can do the removal. But in order to treat a tree with broken limbs -- a tree you want to save -- you need the services of a licensed arborist. The Department of Energy and Environmental Protection licenses arborists, so be sure that anyone you choose is properly licensed and insured by calling the Department at (860) 424-3000.

**HATE
ROBO-
CALLS?**

**TAKE
ACTION!**

Consumer Reports' September 2015 issue includes a good article about the 21st century epidemic known as "robocalls" -- automatically dialed, pre-recorded telemarketing calls to landline phones and cell phones, and unsolicited text messages to wireless numbers. According to the National Do Not Call Registry, three or four of every 10 phone calls you receive will be robocalls! Worse than an annoyance, robocalls are a vehicle for fraud and scams. **Consumer Reports** explains the hurdles that national agencies face to rid us of these pests, and more importantly, offers ideas for taking personal action.

Pitch in! Join the national effort to pressure phone companies to provide anti-robocall technology for free. Sign the petition at EndRobocalls.org!

What your fuel contract must contain

Contracts for heating fuel must be in writing and the terms and conditions must be clear and in plain English. Carefully read all terms and conditions in the contract before signing it. Keep for your records a copy, along with copies of the company's promotional material or written offer.



The terms of the contract must include, at a minimum, the items listed below. Before agreeing to enter into any fuel plan or agreement, be sure that you have the following in writing and signed by the dealer:

1. the amount of money you are required to pay to the company
2. the start and end date of the contract
3. the maximum number of gallons committed to the consumer
4. steps that the dealer has taken to ensure that enough fuel will be available to cover all of his or her price protection contracts
5. how the price per gallon may vary during the length of the contract, if at all

There are several ways a fuel contract can be completed and signed. Besides hand signing a written contract, a contract can be completed by electronic signature via email, website, or telephone. Be alert, so you're not surprised later. Once signed, the contract is generally binding on both you and the company.

If you believe that a fuel dealer is not meeting the terms of your contract or is engaging in unfair or deceptive conduct, please call the Department at (860) 713-6160 or send an email to: dcp.foodandstandards@ct.gov

Final note: fuel deliveries

When you get a heating fuel delivery, after the fuel has been pumped into your home's tank, the delivery person **must** give you a **delivery ticket**, which lists the price per gallon, the total number of gallons delivered, and, if legally allowed, the amount of any delivery surcharge.

The only delivery surcharges that are allowed are those related to **direct costs**, such as an after-hours or weekend delivery that you requested, an out-of-area fuel delivery, or for extraordinary labor costs involved in delivering the fuel to your tank.

These items should be printed in a conspicuous place on the ticket. If you compare your ticket to the truck's meter, the total number of gallons on the meter should agree with the number of gallons printed on your ticket.

The law does not allow consumers to be charged Hazmat fees or diesel surcharges.

Heating Fuel Plans / Contracts

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As a consumer protection measure, companies are not allowed to offer or sign pre-buy contracts during the heating season, from November 1st through March 31st. At the end of your pre-buy contract term, you may have a balance of fuel left. Based on what's written in your contract, the dealer may have to refund you cash, credit your account in fuel gallons, or credit your account in dollars so you can buy additional fuel at the market rate. If the contract does not specify, the company must refund your money within 30 days of the end of your contract.

Companies that offer pre-buy fuel contracts must secure the fuel that they are pre-selling to consumers, or obtain a bond against the amount that customers have pre-paid. This is to protect consumers! There are past cases where a company did not have enough fuel to meet customer demand, forcing some of their pre-paid customers to either buy fuel from another dealer during heating season, or go without.

Lastly, a **budget plan** is a system of payment for fuel. The plan is typically 12 months, and you pay the same pre-set fuel cost each month. The actual price of your fuel is assessed on the day of delivery and is deducted from your account balance. Your per-gallon price may go up or down during the season. But, you will pay the same amount of money each month to your fuel dealer. At the end of the last month, you will either owe some money to the fuel dealer, or they will owe you.

Heating fuel dealers sometimes ask for advance payment when signing up customers for a price protection pro-gram. If you pre-pay by credit card, you may be able to get reimbursed if your fuel is not delivered as written in your contract.