
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2473 Session of
2008

INTRODUCED BY HENNESSEY, REICHLEY, BAKER, BELFANTI, BRENNAN,
COHEN, CONKLIN, DeLUCA, DONATUCCI, FRANKEL, FREEMAN, GOODMAN,
HORNAMAN, MANDERINO, R. MILLER, MOUL, MURT, MYERS, PEIFER,
PETRONE, PRESTON, PYLE, RAPP, ROSS, RUBLEY, SIPTROTH, SONNEY,
STERN, SWANGER AND YOUNGBLOOD, APRIL 15, 2008

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 15, 2008

AN ACT

1 Relating to contracts for retail sale of home heating oil or
2 propane gas; offering guaranteed price plans and certain
3 disclosures; and imposing dealer requirements.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Prepaid
8 Heating Oil and Gas Consumer Protection Act.

9 Section 2. Prepaid contracts.

10 A contract for the retail sale of home heating oil or propane
11 gas that offers a guaranteed price plan, including fixed-price
12 contracts and any other similar terms, shall be in writing, and
13 the terms and conditions of such price plans shall be disclosed.
14 The disclosure shall be in plain language and shall immediately
15 follow the language concerning the price or service that could
16 be affected and shall be printed in no less than 12-point
17 boldface type of uniform font.

1 Section 3. Dealer requirements.

2 (a) Alternative requirements.--No home heating oil or
3 propane gas dealer shall enter into a prepaid home heating oil
4 or propane gas contract or a capped price per gallon home
5 heating oil contract unless the dealer has obtained and
6 maintained one of the following:

7 (1) heating oil or propane gas futures contracts or
8 other similar commitments that allow the dealer to purchase,
9 at a fixed price, heating oil or propane gas in an amount not
10 less than 75% of the maximum number of gallons or amount that
11 the dealer is committed to deliver pursuant to all prepaid
12 home heating oil or propane gas contracts entered into by the
13 dealer or that the dealer estimates is committed pursuant to
14 all capped price per gallon home heating oil or capped price
15 per unit propane gas contracts, respectively; or

16 (2) a surety bond in an amount not less than 50% of the
17 total amount of funds paid to the dealer by consumers
18 pursuant to prepaid home heating oil or propane gas contracts
19 or that the dealer estimates will be paid to the dealer by
20 consumers pursuant to all capped price per gallon home
21 heating oil or capped price per unit propane gas contracts,
22 respectively; or

23 (3) a line of credit from an FDIC-insured institution,
24 letter of credit from an FDIC-insured institution, cash in an
25 FDIC-insured account or a functionally equivalent account or
26 combination thereof in an amount that represents 100% of the
27 cost to the dealer of the maximum number of gallons that the
28 dealer is committed to deliver pursuant to all prepaid
29 contracts entered into by the dealer. The costs shall be
30 calculated at the time the contracts are entered into.

1 (b) Retention of records.--A dealer shall maintain the
2 amount of futures contracts, the amount of the surety bond or
3 the line of credit required by this section for the period of
4 time for which such prepaid home heating oil or propane gas
5 contracts or capped price per gallon home heating oil or capped
6 price per unit propane gas contracts are effective, except that
7 the amount of such futures contracts, surety bond or line of
8 credit may be reduced during such period of time to reflect any
9 amount of home heating oil or propane gas already delivered to
10 and paid for by the consumer.

11 Section 4. Time limitation.

12 No prepaid home heating oil or propane gas contract shall
13 require any consumer commitment to purchase home heating oil or
14 propane gas pursuant to the terms of such contract for a period
15 of more than 12 months.

16 Section 5. Additional requirements.

17 Any prepaid home heating oil or propane gas contract shall
18 indicate:

19 (1) the amount of funds paid by the consumer to the
20 dealer under the contract;

21 (2) the maximum number of gallons of home heating oil or
22 maximum amount of propane gas committed by the dealer for
23 delivery to the consumer pursuant to such contract; and

24 (3) that performance of such prepaid home heating oil or
25 propane gas contract is secured by one of the options
26 described in section 3.

27 Section 6. Reimbursement for undelivered oil or propane gas.

28 Any prepaid contract under this act shall provide that the
29 contract price of any undelivered home heating oil or propane
30 gas owed to the consumer under the contract, on the end date of

1 such contract, shall be reimbursed to the consumer not later
2 than 30 days after the end date of the contract unless the
3 parties to the contract agree otherwise.

4 Section 7. Nonapplicability.

5 This act shall not apply to budget plans under which
6 consumers pay one-twelfth of their average yearly heating fuel
7 cost each month.

8 Section 8. Unfair trade practice.

9 In addition to any other civil penalty allowed under any
10 other law, a violation of the provisions of this act, or the
11 failure of a heating oil or propane gas dealer to deliver
12 heating oil or propane gas pursuant to a prepaid contract, shall
13 constitute a violation of the act of December 17, 1968
14 (P.L.1224, No.387), known as the Unfair Trade Practices and
15 Consumer Protection Law.

16 Section 9. Effective date.

17 This act shall take effect in 90 days.