

## Contract terms

Except for COD customers who pay at the time of delivery, contracts for heating fuel must be in writing and the terms and conditions must be clear.

Carefully read all of the terms and conditions of the contract before signing it. Keep for your records a copy of the contract and any of the company's solicitations or advertisements that came with the 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:

- the fixed price or cap price per gallon
- the start and end dates of the contract
- the amount of any prepayment required
- default terms
- all steps the dealer has taken to make sure that a sufficient amount of oil will be available to cover all of his or her price protection contracts

***Important for you to know!*** Connecticut heating fuel companies that offer pre-paid fuel contracts must demonstrate upon request that they have pre-purchased the fuel that they are pre-selling to consumers, or have obtained a bond against their sales. This is designed to protect you against a company running out of fuel that you've already paid for.

## How to get help if your contract is not being honored

If you believe that a fuel dealer is not meeting the terms of your contract or is otherwise engaging in unfair or deceptive conduct, please call the Department of Consumer Protection at (860) 713-6160.

When needed, the Department has brought enforcement actions to ensure that dealers honor their price protection contracts, and will continue to do so as necessary to protect the interests of consumers.

State of Connecticut  
Department of Consumer Protection  
165 Capitol Avenue  
Hartford, CT 06106

Toll-free: 1-800-842-2649  
Fuel Questions: 860-713-6160  
email: [food.standards@ct.gov](mailto:food.standards@ct.gov)

# Heating Fuel Contracts

*What to Know Before You Sign*



Choosing a home heating fuel company for next winter and beyond should not be a last-minute decision. If you already have an established relationship with a home heating fuel supplier whom you trust, you probably have few concerns. But if you are planning to sign on for the first time with a different fuel company, you may want to be more careful, especially if the company is new to the business or has been recently bought out.

It's a good idea to be home when the first fuel delivery is made. You should ask to see the meter on the delivery truck. The meter should be tested and sealed by a weights and measures official. As a consumer, you have the right to look at the truck's meter, just as you would when you pump gasoline at a gas station.

Once the heating 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 the amount of any delivery surcharge. 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 register should agree with the gallons printed on your ticket.

### Heating Fuel Plans and Contracts

Some heating fuel dealers offer price protection programs in the form of *fixed price contracts* or *cap price contracts*. Some dealers also offer *pre-buy programs* and *budget plans*.

Before entering into an agreement, make sure you know what all these terms mean.

Typically, in a "fixed price contract," you agree to pay a fixed price per gallon of oil or propane for the whole winter season. With a fixed price contract, the price you pay does not change, even if the "market" price for fuel goes up or down.

A "cap price contract" puts a ceiling on the top price per gallon that you will pay during the contract's term, while allowing you to pay a lower price per gallon when market prices drop below the cap price.

A "budget plan contract" usually requires a fixed monthly payment, regardless of the amount of oil or propane that you use during the contract period, which is usually one year. Fuel on a budget plan may be assessed at the market price on the actual day of delivery, or may be part of a cap or fixed price plan. A balance may exist at the end of the contract, either in your favor or the fuel dealer's.

Note that heating oil dealers sometimes require advance payment to qualify customers for participation in these price protection programs.

### Pre-buy programs: handle with care

In a "pre-buy program," you and the fuel company make an agreement before the heating season on a price and amount of fuel that you will buy for that season. You will pre-pay for that fuel, usually at a lower price.

You then have a claim on that amount of fuel for the time period of the contract and can expect that it will be delivered to you. On average, consumers see a reduction in overall fuel cost compared to paying market price for each delivery, but this is by no means assured.

You may have a balance of heating fuel left at the end of the contract term, and subject to your contract, the supplier may have the option to either refund you with cash or provide you with additional heating oil at current market prices. If the contract does not specify, the company must refund your money within 30 days of the end of your contract.

### Shop around and ask questions before entering into any contract!

Don't let a company rush you into signing a contract immediately. Shop around and ask questions.

Remember, the lowest price is not always the cheapest price in the long run. If you require prompt, dependable service, you might not get it from the lowest-cost fuel dealer. Invest a little time on research, and remember to check with friends and neighbors on which companies they trust, and those they avoid.

Be sure to ask a prospective dealer if it is registered with the Department of Consumer Protection and obtain the company's registration number. Then contact the Department at (860) 713-6160 to confirm that the dealer is validly registered, and to determine if any complaints have been filed against the company. Always ask a prospective company for customer references and check them out.