

Contract terms

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

Carefully read all terms and conditions in 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:

1. the amount of money the consumer is 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 make sure that a sufficient amount of 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

More facts to keep in mind

There are multiple 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, websites, or by telephone.

Once signed, the contract is generally binding on both you and the company. **Note:** Terms and conditions must be provided in writing before signing a contract.

Any fuel contract you sign may subject you to liquidated damages. These damages for breaking a contract may equal the company's actual damages.

After you've received your allotted gallons or reach the end date of your contract, the company may continue to deliver fuel to you at the market rate. **You must notify the company in writing to stop** delivering fuel after you have completed the contract.

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 or send an email to: dcp.foodandstandards@ct.gov

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



Toll-free: 1-800-842-2649
Fuel Questions: 860-713-6160

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 fuel supplier whom you trust, you probably have no concerns. But if you are planning to do business with a company for the first time this fact sheet may be helpful.

These basic rules apply to all fuel delivery

Once 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 if legally allowed, the amount of any delivery surcharge. Surcharges are regulated and limited to direct costs such as "consumer-initiated after-hours," or "out of area delivery," or for extraordinary labor costs. 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.

Hazmat fees or diesel surcharges are not allowed by law.

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 any agreement, make sure you know what all these terms mean.

Each of these plans involve a contract, which is binding once you sign it. Contracts must be in writing and written in plain language.

Type of Plan or Contract	Price	Duration	Does Your Daily Price Go Up or Down?
Fixed	One price, set in advance	Typically 12 months	No
Cap	Price can only go up to the "cap" price	Typically 12 months	Yes, it may drop with market price but only goes as high as the "cap" price
Pre-buy	One price, set in advance	Typically 12 months	No

A **budget plan** is a system of payment for fuel. It may be applied to a cap price contract or fixed price contract. A budget 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.

Heating fuel dealers sometimes require advance payment to qualify customers for participation in these price protection programs. If you pay for a budget plan or pre-buy program by credit card, you may be able to be reimbursed if your fuel is not delivered as written in the contract.

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 fixed price and

amount of fuel that you will buy for that season. You pre-pay for that fuel.

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.

Pre-buy contracts may only be signed between April 1st and October 31st of every year. No pre-buy contracts can be signed 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 heating fuel left. Based on what is written in your contract, the dealer may have the option to refund you with cash, credit your account in fuel gallons, or credit your account in dollars to 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.

Important for you to know!

Connecticut heating fuel 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 of money a customer has pre-paid the company. This is to protect the consumer. It is also to your advantage to use a credit card to pay for a pre-buy fuel contract, as your credit card may provide protection if you do not receive your pre-paid fuel.