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**ONLINE COMPLAINT FORM:**

<https://www.doj.nh.gov/citizens/consumer-protection-antitrust-bureau/consumer-complaints>

## DON'T GET LEFT OUT IN THE COLD-KNOW YOUR RIGHTS WHEN IT COMES TO PURCHASING HOME HEATING FUEL

If you use home heating fuel, one option you have is to purchase fuel cash-on-delivery from a “discount” fuel company as needed. This option can be cost-effective, and you remain free to switch to whichever fuel company has the most competitive rate at the time. There are, however, some noteworthy disadvantages. First, you must remember to diligently monitor your fuel levels (typically by monitoring your tank’s gauge) and contact the company well in advance to avoid running out of fuel. Second, you will separately need to remember to arrange for regular maintenance and repairs. Third, if you run out of fuel in a peak demand time like the middle of winter, you may have difficulty securing a delivery for an extended period of time.

Alternatively, another option is to sign up with a company that offers service plans (sometimes referred to as a “full-service” company), which include many features such as guaranteed price plans, automatic delivery, equipment maintenance, and 24/7 customer support. Some popular arrangements are budget plans and guaranteed price plans.

### ***Budget Plans for Heating Fuels***

Budget plans are agreements in which consumers pay their yearly heating costs by making roughly equal monthly payments. The purpose of a budget plan is not to save money but to make heating costs more manageable by spreading the costs more evenly over the course of the year. The price for the fuel is the price on the day of delivery, not a pre-purchase set price. For example, a customer may agree to pay the same specified amount each month for 10 or 11 months in a year to cover fuel costs; then, in the final month or two of the budget plan period, the payment is adjusted up or down so that the total paid by the customer is equal to the total cost of fuel purchased. If budget plans require any prepayment by a consumer, then the agreement must be in writing and must disclose the terms and conditions of the contract in plain language.

### ***Pre-buy Contracts for Heating Fuels***

Pre-buy contracts for heating fuel (also referred to as guaranteed price plans, fixed price plans, or pre-paid contracts) lock in a set price per gallon for the heating season. A prepaid contract is a legally binding agreement in which a customer agrees to purchase a given amount of fuel at a pre-determined price. The company cannot later decide to alter the amount of fuel or the price.

A company that offers prepaid contracts must demonstrate its ability to provide the amount of fuel it promises to deliver to its customers. Before agreeing to a pre-buy contract, you should check the New Hampshire Secretary of State's website, <https://www.sos.nh.gov/petroleum-sales-contracts>, to confirm that a company has filed the mandatory report indicating how its pre-buy contracts are secured.

Pre-buy contracts must be in writing and must disclose the terms and conditions of the contract in plain language. A solicitation for a guaranteed price plan that could become a contract if accepted must also be in writing with the terms and conditions disclosed. It is unlawful for companies to advertise or solicit agreements for guaranteed price plans earlier than May 1 or later than October 31 of the year in which the heating fuel season begins (though consumers have the option to request "early" pre-buy contracts in this time period). This is because of problems in the past with some companies using the funds from early pre-buy contracts to pay for supplies in the current heating season instead of ensuring that fuel would be available for those early pre-buy contracts, leaving consumers without fuel even though they already paid for it.

## CONTRACT REQUIREMENTS

Under New Hampshire law, any contract with a consumer "that offers a guaranteed price plan, requires prepayment by the consumer, or similar contracts" for home heating oil, kerosene, or propane must be in writing and must disclose the terms and conditions of the plan in plain language.

A contract for a plan requiring payment in advance by a consumer must include:

- Total amount of money to be paid by the consumer
- Gallons committed by the fuel dealer to be delivered under the contract
- Price per gallon
- Payment terms
- Duration of the contract
- Remedies the company has if a consumer does not comply with the contract
- A requirement that the company reimburse consumers at the contract price for any undelivered pre-purchased fuel within 30 days after the contract ends (unless the company and consumer agree to different terms)

A contract for a guaranteed price plan additionally must include:

- A clear explanation of how the contract is secured, whether by supplier agreements, futures contracts, surety bond, line of credit, or liquid product inventory

A company's failure to provide a consumer with a written contract including all of these terms is unlawful in New Hampshire.

## DELIVERY TICKET REQUIREMENTS

Home heating fuel companies must use a meter to determine the amount of fuel delivered. A register that is connected to the meter prints the meter reading on a ticket, which can then be provided to the consumer.

For any home heating fuel delivery of more than 100 gallons, a printed delivery ticket must be provided to the customer at the time of delivery (or as otherwise specified by the customer) and must clearly state:

- The date the product was delivered
- The vendor's name and address, including the street, city, state, and zip code
- The customer's name and address

- The type of product being delivered
- If there is a correction for temperature, the net gallons or liters delivered and the statement, "The volume delivered has been adjusted to the volume at 60 degrees Fahrenheit."

## INVOICE REQUIREMENTS

All invoices (regardless of delivery volume), whether mailed or left at the time of delivery, must contain at least the following information:

- Date the product was delivered
- Unit price, per gallon or liter, of the product delivered
- Total computed price for the volume delivered
- The terms of any prompt payment discount being offered

## ADDITIONAL CONSIDERATIONS

### *Pricing and Other Terms*

Deliverable heating fuel prices are not regulated, meaning that price changes alone are not necessarily unlawful. A company is free to set its own prices for the heating fuel it delivers. For example, a contract may state that the price the consumer will pay is the company's price on the day fuel is delivered.

Some companies offer contracts with a price cap (also known as a price ceiling), which limits the maximum price you will pay for fuel even if market prices fluctuate. In exchange, you might be required to pay a one-time fee or to commit to using a given company for a certain length of time. If a company is asking you to agree to a time commitment, make sure you understand how the price you pay may change over time. Sometimes companies provide for relatively low prices for your first year of service but charge much higher prices afterwards.

When choosing a heating fuel provider, the best practice is to get quotes from several companies operating in your area before committing to one. You may also want to consider joining a heating fuel buying group, which typically allow consumers to buy heating fuels at discounted prices by leveraging their group bargaining power.

Keep in mind that price is only one variable to consider when choosing a fuel provider. Reliable, timely fuel delivery and timely emergency service are also important. Make sure to check whether your contract covers emergency restarts if you do run out of fuel and whether there are surcharges for things like low-volume deliveries.

### *Delivery Options*

Delivery options commonly available are automatic delivery and will-call delivery. Will-call delivery requires you to diligently track your heating fuel levels and to order more when a refill is needed. Will-call delivery can result in savings if you purchase fuel when market prices are low or if your usage is lower than usual. On the other hand, you risk running out of fuel if you do not carefully monitor and place your order far enough in advance, especially during peak demand times. Automatic delivery relies on factors such as past fuel consumption, tank size, and current weather conditions in your area to determine your need for more fuel. The primary benefit of this option is that it frees you from having to remember to regularly check fuel levels and contact the company to order more fuel in time (though automatic delivery time is not always calculated perfectly, meaning you may still need to keep an eye on your fuel gauge and contact your provider).

Regardless of what delivery option you choose, you can help ensure a successful delivery by:

- Making sure that your driveway and the path to the tank are clear of snow
- Marking your tank with a flag so it is easy to locate
- Checking that your house number is visible from the road
- Keeping any exhaust vents on your home clear of snow, ice, and other debris
- Always calling your vendor at least ten days in advance of needing fuel to avoid delivery delays; a good rule of thumb for will-call customers is to call when your tank is  $\frac{1}{4}$  full, but this will vary from household to household.

**If you believe that a company has violated provisions of a heating fuel contract, or if you feel that you may be the victim of deceptive or unfair business practices**, you should file a complaint with the [Consumer Protection and Antitrust Bureau](https://www.doj.nh.gov/citizens/consumer-protection-antitrust-bureau/consumer-complaints) at the New Hampshire Department of Justice by visiting the following link: <https://www.doj.nh.gov/citizens/consumer-protection-antitrust-bureau/consumer-complaints>

**If a company has failed to deliver fuel per your agreement, leaving you without heat**, call the Consumer Protection Hotline at (603) 271-3641 as soon as possible so the Bureau may attempt to assist you.