

Testimony of: Casey Cramton

February 6, 2023

Dead River Company – President and CEO
Resident of Gorham

Before the Maine Committee on Innovation, Development, Economic Advancement and Business

Concerning: LD 105 - An Act to Prohibit Minimum Usage or Tank Rental Fees for Certain Propane Customers

Position: **Opposed**

I respectfully request the committee vote *Ought Not to Pass* on LD 105.

I am opposed to LD 105 for the following reasons:

1. The propane industry is not a regulated utility. There are numerous propane providers throughout the state for consumers to choose from. This free-market system benefits Mainers via a competitive business environment allowing them to choose who they purchase their propane from. LD 105, if passed, would diminish this environment and likely result in higher costs for consumers.
2. In most cases in Maine, propane marketers provide the storage tank(s) for customers and recover the cost of their investment through the sale of propane. In the case of applications where propane is used solely for backup power generation, propane sales are often times extremely low, thus not allowing for an adequate recovery of the cost of the storage tank(s). If assessing tank rental fees becomes prohibited as proposed in LD 105, propane providers will be forced to seek other means to recover the cost of tank(s) or remove them entirely and redeploy them to applications with greater predictability of usage.
3. If LD 105 were to pass, consumers who attempt to acquire propane and storage tanks for backup generator use in the future will likely be faced with much higher out-of-pocket costs. Passage of LD 105 would likely lead to consumers having pay for the tanks and their installation up front, which can exceed \$2,000, and can be a much greater burden than an annual rental fee.

About Dead River Company

Dead River Company was founded in Maine 114 years ago, operates 60 retail stores along with 10 wholesale fuel supply hubs, and employees over 1,300 people. Two-thirds of our infrastructure and employees are based here in Maine. We serve customers in all 16 Maine counties with critical heating fuels and provide maintenance and repairs to customer heating systems and appliances.