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# DAVE HEATON

STATE REPRESENTATIVE • 85<sup>TH</sup> ASSEMBLY DISTRICT

## **Testimony of Representative Dave Heaton on AB 698** **Assembly Committee on Energy and Utilities** *Tuesday January 26, 2016*

Mr. Chairman, members of the Committee, thank you for holding this public hearing today and for giving me an opportunity to speak to you in support of Assembly Bill (AB) 698. I want to thank Senator Lasee and his staff for all their hard work on this legislation.

Under current law, a propane retailer must hold a license issued by the Department of Safety and Professional Services (DSPS) in order to sell liquid propane gas (LPG). In order for DSPS to issue a license, a propane retailer must provide proof of financial responsibility. Current law allows a propane retailer to prove financial responsibility by obtaining any of the following, commercial general liability insurance, a surety bond, *or* an irrevocable letter of credit.

Under AB 698, the options of a surety bond and an irrevocable letter of credit are eliminated, thus requiring general liability insurance for a propane retailer to receive a license in Wisconsin. This legislation is not about adding a layer of regulation, but about streamlining it. Wisconsin's propane industry takes the safety of their business operations very seriously. This is why members of the propane industry and the Wisconsin Propane Gas Association (WPGA) approached Senator Lasee and I to request the changes made by this legislation.

The WPGA and its members believe that securing a license to sell and deliver propane should only be granted when the retailer meets all the requirements needed to secure commercial general liability insurance as required by the insurance carrier. An insurance carrier will perform safety checks on the retailers' business operations before agreeing to cover a propane retailer. This is not the case if a surety bond or letter of credit are obtained.

Under AB 698, if a propane retailer can qualify for and buy commercial general liability insurance, they will meet the licensure requirements of DSPS. This is something that is important to the industry and will help to keep the citizens of Wisconsin safe. This common sense reform will provide another set of eyes to ensure safe practices in the propane industry.

Mr. Chairman and committee members, thank you again for the opportunity to testify before you today, and I ask for your support of AB 698.

Gary France

1005 Nina Ave.

Wausau, WI. 54403

January 23, 2016

Support of AB 698

Rep. Kuglitsch

Chairman Committee on Energy and Utilities

Mr. Chairman, I am writing in support of AB 698 because it will strengthen propane safety in Wisconsin. I am a propane marketer located in Schofield, Wisconsin. I have been involved with the propane industry for over 43 years and know firsthand that the policies and procedures required by Insurance Companies to obtain liability insurance promote a safer industry and protect the consumer from poor business practices. The Insurance requirement is the only method of financial responsibility that will have an active interest in auditing propane marketers to verify best business practices, since they understand our industry and want to minimize their risk.

I was the Chairman of the National Propane Gas Association during the winter of 2013-2014, that crisis taught us to take a closer look at our industry with a resolve to correct any weaknesses, passage of AB 698 will definitely promote a safer propane industry in Wisconsin which will provide propane consumers a reliable efficient energy source.

Thank you,



Gary France