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March 19, 2019

The Honorable Maxine Grad  
Chair, House Judiciary Committee  
Vermont State House  
115 State St.  
Montpelier, VT 05633-5301

***RE: Opposition to Senate Bill 18***

Dear Chairwoman Grad:

I am writing to you on behalf of Suburban Propane L.P., the nation's third largest propane supplier. Suburban has over 100 employees and more than 30,000 customers in Vermont. This letter is in regard to **Senate Bill 18**, which imposes a rebuttable presumption of unconscionability on provisions found in standard-form contracts. The legislature's intention to bring some degree of fairness to patently unfair standard-form contracts (e.g. cell phone contracts) is a laudable one. However, in the bill's current form, the unintended consequences are significant and need to be considered. Suburban's primary concern is that this bill is overly broad and does not include any exception for legitimate uses of standard-form contracts.

If enacted into law, Senate Bill 18 will make it very difficult for legitimate users of standard-form contracts to do business in Vermont. One such legitimate use of standard-form contracts is the sale of propane. It is not economically feasible for any Vermont supplier of heating fuel to negotiate an individual contract with each Vermonter. If forced to do so, suppliers' costs of doing business would likely skyrocket, and most suppliers would have no choice but to pass those costs onto Vermont customers. The standard-form contracts currently used by Suburban ensure that tens of thousands of Vermonters have adequate fuel in their tanks for heating and cooking at an affordable cost.

We also wish to point out that the terms of contracts for the sale of propane to Vermont customers are already extensively regulated in the State of Vermont, particularly under CP-111 promulgated by the Office of the Vermont Attorney General.

No other state has adopted limitations on standard-form contract provisions like the ones in this bill. In states that have considered such provisions, they have been rejected. We commend the legislature for a commitment to consumers; however, the unintended consequences of this bill are that it would increase cost to Vermonters.

Vermont businesses and consumers will be harmed by the passage of this legislation. **I urge you to vote against Senate Bill 18.**

Very Truly Yours,

/s/ Bill Anderson

Managing Director, Area 1