

The House added the following language to S.5:

§ 8124. CLEAN HEAT STANDARD COMPLIANCE (i) LIHEAP pricing. The Margin Over Rack pricing program for fuel assistance shall reflect the default delivery agent credit cost established by the Commission.

This was added to address the concern that oilheat, kerosene and propane suppliers would be unable to deliver fuel assistance to low income Vermonters under a “Margin Over Rack” contract if the pricing formula did not account for the DDA credit cost.

*Background:*

Since 2011, the Vermont Department for Children and Families (DCF) Office of Fuel Assistance has required oilheat, kerosene and propane suppliers to provide the state of Vermont with a discounted price for all gallons purchased with state and federal funds on behalf of low income Vermonters. In order to become certified, a fuel supplier must choose one of the following pricing programs:

1. Under the Margin Over Rack (MOR) pricing option, the daily price is posted by the fuel assistance office. The Vermont Fuel Assistance Rack Price (VFARP) [can be found here](#). It is based off the average of the average rack price in Albany NY, Burlington VT, Portsmouth NH, and Springfield MA. These prices comes from the Oil Price Information Service (OPIS).
2. A fuel dealer that opts for Discount-Off-Retail (DOR) pricing must provide a 15-cent discount on the daily cash price. This means if a dealer offers a discount for cash or prompt payment by non-fuel assistance customers, the 15-cent discount must be deducted from that lower price.
3. A Vermont family that receives fuel assistance funds can also enter into a pre-buy or guaranteed pricing program.

Thank you for your consideration,

**Matt Cota**

Meadow Hill

*on behalf of the Vermont Fuel Dealers Association*