



# PPMCSA SPECIAL BULLETIN

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June 24, 2008

**TO: PPMCSA ACTIVE AND ASSOCIATE MEMBERS**

**FROM: JOHN V. KULIK, Executive Vice President**

**SUBJECT: PENNSYLVANIA SENATE PASSES LEGISLATION BANNING LIHEAP DISCOUNT MANDATES**

The Pennsylvania state Senate, by a 50-0 vote, has passed SB 352 which if enacted, would have the effect of prohibiting the state from requiring oil vendors to offer discounts as a condition for participating in the LIHEAP program.

Backed by PPMCSA, the legislation was the result of negotiations between the Association and the state's utility industry. This legislation was initiated by Senator Bob Robbins, the bill's prime sponsor.

The bill was originally introduced to give the General Assembly a role in determining the operation of the state LIHEAP program. Currently, the Department of Public Welfare (DPW) decides the funding allocations with input from an advisory committee that lacks legislative participation.

PPMCSA fought for Section 4 of the bill, which states that..."The Department shall not seek to alter energy pricing of any fuel type nor attempt to negotiate or condition participation of any energy vendor in the LIHEAP program based on the vendor's energy pricing..."

Pennsylvania DPW is in the process of developing pilot programs in four counties that would require oil vendors to agree to designated margins over rack or retail discounts in deliveries to LIHEAP customers. A number of Northeast states have instituted similar programs over the last few years.

The bill now goes to the state House for consideration.

JVK:mjw