

STATE OF MICHIGAN



**BILL SCHUETTE**  
ATTORNEY GENERAL

**FOR IMMEDIATE RELEASE**  
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# **Schuette Issues Subpoenas in Probe Of Propane Industry**

*A.G. Seeks Information About Rising Propane Prices Related to Ferrellgas, Inc.*

**LANSING** - Michigan Attorney General Bill Schuette announced today that he has sought civil subpoenas in his ongoing investigation into recent pricing and other suspect business practices related to this winter's unprecedented price hikes for propane.

Schuette's office has been contacted by more than 700 Michigan consumers since January who have complained of unfair pricing and other questionable business practices within the propane industry. Many complaints have related to Ferrellgas Inc. and review of the information gathered to date by the Department of the Attorney General led to the filings announced today.

"Michigan families have enough rising costs to worry about without being concerned that they may be taken advantage of by their energy supplier," said Schuette. "We are prepared to take legal action if it is determined that state law has been broken."

As noted in the petition for subpoena filed today in Saginaw County Circuit Court, the Schuette's office has received 65 complaints against Ferrellgas Inc., and its affiliate, Best Propane. The complaints include allegations of excessive pricing and misrepresenting the price that consumers would have to pay for propane.

Under the Michigan Consumer Protection Act, a retailer may not charge a price that is "grossly in excess of the price at which similar property or services are sold." Evidence gathered to date suggests that while the statewide average retail price for propane went as high as \$3.76 in early February, some Ferrellgas customers were apparently charged more than \$8.00 per gallon.

Additionally, the Consumer Protection Act also prohibits other conduct that tends to mislead or deceive the consumer in relation to material aspects of the transaction in question. For example, the Consumer Protection Act prohibits gross discrepancies between verbal representations of the seller and

the written agreement the covers the same transaction. In this regard, information gathered to date suggests that some Ferrelgas consumers ordering propane over the phone may have been misled as to what the actual price of the propane would be once it was delivered.

The Petition for Subpoena was filed pursuant to the Consumer Protection Act. Saginaw County Circuit Court has ordered Ferrellgas to provide documents and testimony in Attorney General Schuette's ongoing investigation of this and other suspected conduct.

Schuette's review of consumer complaints related to propane pricing remains ongoing. If consumers have additional evidence suggesting that a retailer engaged in behavior that violates the Consumer Protection Act, they are encouraged to contact the Attorney General's Consumer Protection Division at 1-877-765-8388 or file an online complaint at [www.michigan.gov/ag](http://www.michigan.gov/ag).

[Attachment: Copy of Petition for Subpoena]