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ATTORNEY GENERAL

FOR IMMEDIATE RELEASE

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AG Propane Investigation Update:
**Schuette Announces More Than \$500,000 for 5,600
Michigan Propane Consumers in AmeriGas Settlement**

*Agreement Requires Credits and Refunds to Michigan Consumers; Special Propane Pricing For
Upcoming Winter*

LANSING, Mich. – Attorney General Bill Schuette today announced his Corporate Oversight Division has secured more than \$500,000 for approximately 5,600 Michigan propane consumers to resolve customer complaints against AmeriGas concerning propane-pricing issues during last winter’s heating season. This settlement marks a key development in his ongoing investigation into hundreds of consumer complaints related to propane pricing and delivery during the 2013-2014 winter season.

“Cooler autumn weather means many Michigan families are already anxious about upcoming heating bills,” Schuette observed. “I’m happy we can put money back into the wallets of hard-working families who paid steep prices to heat their homes last winter while already trying to make ends meet.”

In September 2014, Schuette [filed a lawsuit](#) against propane supplier AmeriGas alleging violations of the Michigan Consumer Protection Act. AmeriGas is the nation's largest residential supplier of propane with service in all 50 states.

Examples of specific issues raised by consumers and their resolution include:

- **Locked-Price customers:** Hundreds of AmeriGas customers were charged prices that were higher than the per-gallon rates customers had locked in for winter last year. Many still had not yet gotten their bills properly adjusted.

Resolution: These customers will have their billings corrected to the appropriate per-gallon rate, and will receive an additional fifty percent of the difference to compensate them. Approximately 140 consumers are affected. *Total reimbursements for this category:* \$31,441.

- **Will-Call customers:** Some AmeriGas customers were charged per gallon prices at the time of delivery that were higher than the price that was in effect at the time they placed their order for propane.

Resolution: AmeriGas is reimbursing customers who placed orders and received deliveries from January 14 through 28, 2014, so the customers who were charged a higher price on delivery will receive the lower price that was in effect at the time of the order. The 833 customers falling into this category will receive reimbursements in the amount of the difference between the prices on the delivery and order dates, plus fifty percent. AmeriGas has also changed its processes to ensure that customers will not be charged a higher price at delivery than the price in effect at the time of the order. *Total reimbursements under this category: \$58,123.*

- **High Propane Prices:** Attorney General Schuette alleged in the lawsuit that AmeriGas charged some customers prices that were grossly in excess of prices being charged by other propane retailers throughout Michigan.

Resolution: More than 5,000 affected customers will have their per-gallon rates from last January and February rolled back to specific price points outlined in the agreement, plus an additional fifty percent. These price points are based on survey prices reported by the Michigan Public Service Commission. *Total reimbursement for this category: \$479,008.*

Customers Eligible for Reimbursements to Receive Letters

Affected customers will receive a letter from the Attorney General, and AmeriGas will make all reimbursements not later than November 1, 2014. Current customers will receive an account credit, while former customers will receive a check for all refunds exceeding any money still owed to the company. Additionally, up to one hundred AmeriGas customers with varied complaints will also receive \$100 bill credits.

Finally, AmeriGas has agreed to offer all customers who are currently billed at market rates the opportunity to sign up for a locked rate for this coming winter without having to pay the usual \$99 fee associated with enrollment in this program. Amerigas will also provide special discounts to customers who sign up under this program. For every thousand customers that participate, the estimated value to consumers is more than \$100,000.

Last month, Schuette negotiated a [settlement](#) with propane retailer Ferrellgas, securing more than \$100,000 in refunds and account credits to more than 600 propane customers. Together, the two settlements provide more than 5,600 Michigan consumers with a share in almost \$700,000 in credits and refunds.

[ATTACHMENT: Copy of settlement]