

## Frequently Asked Questions – 2014 AmeriGas Settlement

Attorney General Bill Schuette is working hard to ensure Michigan citizens have relevant information about this important settlement. Please check back to this website, as updates will be added if more information becomes available.

### **Q. What is the settlement?**

A: After receiving many consumer complaints, Michigan Attorney General Bill Schuette investigated allegations that AmeriGas had engaged in behavior that violated the Michigan Consumer Protection Act (MCPA). On September 18, 2014, Attorney General Schuette filed a lawsuit against AmeriGas, seeking compensation for consumers who were affected by the issues that were the subject of the investigation. The settlement agreement resolves the litigation and requires AmeriGas to take various actions to resolve issues raised in the lawsuit.

### **Q. Will people get relief under the settlement?**

A: Yes. There are different categories of consumer relief:

#### 1. Price reimbursements for certain locked-price customers:

Evidence gathered in the Attorney General investigation showed that hundreds of AmeriGas customers were charged prices that were higher than the per-gallon rates these customers had locked in. Many still had not yet gotten their bills properly adjusted by the time the lawsuit was filed.

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

Customers to receive reimbursements will receive a letter from Attorney General Schuette, 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. Every customer eligible under this category will receive a minimum reimbursement of \$10.00.

#### 2. Price reimbursements for certain 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.

AmeriGas is reimbursing customers who placed orders and received deliveries from January 14 through January 28, 2014, so that the customers who were charged a higher price on delivery will get 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. Reimbursements under this category total \$58,123. AmeriGas has also changed its processes to ensure that in the future customers will not be charged a higher price at delivery than the price in effect at the time of the will-call order.

Customers to receive reimbursements will receive a letter from Attorney General Schuette, and AmeriGas will make all reimbursements no 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. Every customer eligible under this category will receive a minimum reimbursement of \$10.00.

3. Price reimbursements for certain customers receiving propane deliveries in January and February 2014:

In early 2014, the Attorney General received many complaints about propane pricing. In reviewing these complaints, the Attorney General considered data published by the Michigan Public Service Commission, which gathers data regarding propane pricing and publishes that information on its website. The data showed that propane pricing was extremely volatile in January and February of 2014, with weekly published state-wide averages as high as \$3.76/gal and individual published high prices as high as \$5.69/gal.

In recognition that this past winter raised unique challenges for propane consumers who faced higher than normal pricing, AmeriGas has agreed to reimburse consumers who paid particularly high prices as follows:

- Residential Customers receiving deliveries from January 1 through January 5, and whose final invoice price was greater than \$ 3.12, will be credited the difference between the final invoice price and \$ 3.12 per gallon plus 50% of the difference.
  - For example if John Doe was charged \$3.62 for 100 gallons of propane delivered on January 5, 2014, Mr. Doe will receive a \$75 dollar credit (100 gals x 50 cents x 1.5).
- Residential Customers receiving deliveries from January 6 through January 12, and whose final invoice price was greater than \$3.23, will be credited the difference between the final invoice price and \$3.23 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from January 13 through January 19, and whose final invoice price was greater than \$3.10, will be credited the difference between the final invoice price and \$3.10 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from January 20 through January 26, and whose final invoice price was greater than \$3.45, will be credited the difference between the final invoice price and \$3.45 per gallon plus 50% of the difference.

- Residential Customers receiving deliveries from January 27 through February 2, and whose final invoice price was greater than \$5.70 per gallon, will be credited the difference between the final invoice price and \$5.70 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from February 3 through February 5, and whose final invoice price was greater than \$5.20 per gallon, will be credited the difference between the final invoice price and \$5.20 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from February 6 through February 9, and whose final invoice price was greater than \$4.75 per gallon, will be credited the difference between the final invoice price and \$4.75 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from February 10 through February 16, and whose final invoice price was greater than \$4.90 per gallon, will be credited the difference between the final invoice price and \$4.90 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from February 17 through February 23, and whose final invoice price was greater than \$4.54 per gallon, will be credited the difference between the final invoice price and \$4.54 per gallon plus 50% of the difference.
- Residential Customers receiving deliveries from February 24 through February 28, and whose final invoice price was greater than \$4.50 per gallon, will be credited the difference between the final invoice price and \$4.50 per gallon plus 50% of the difference.

Customers to receive reimbursements will receive a letter from Attorney General Schuette, and AmeriGas will make all reimbursements no 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. Every customer eligible under this category will receive a minimum reimbursement of \$10.00.

There are 5,098 customers falling into this category, and reimbursements under this category total \$479,008.

**Q. When will eligible consumers receive the benefits from this settlement?**

A: AmeriGas will make the credits and refunds no later than November 1, 2014.

**Q. How many people in Michigan are eligible for credits/refunds?**

A: In total, approximately 5,600 customers across the state will receive some monetary relief under the settlement.

**Q. How much money is involved?**

A: Overall, the settlement provides nearly \$600,000 in relief to Michigan propane consumers.

**Q. Did I have to file a complaint against AmeriGas to get an account credit?**

A: No, if you fall with categories outlined in the agreement you will receive an account credit.

**Q. How will I know if I am included?**

A: Individuals who are entitled to relief under the settlement will receive a letter from Attorney General Schuette informing them that they are entitled to reimbursement under the settlement.

**Q. Are there any other benefits for consumers in the settlement?**

A: As part of the settlement, AmeriGas has agreed to enroll existing customers into a locked-rate program called AmeriGuard, while waiving the \$99 fee that it ordinarily charges for this program.

**Q. How do I enroll in AmeriGuard?**

A: All existing AmeriGas customers who are presently subject to market-based pricing (prices that fluctuate as the market for propane fluctuates) will receive letters inviting them to enroll in the free AmeriGuard program for the winter of 2014-2015. The fixed per-gallon rates under this settlement will be slightly lower than those that AmeriGas generally has in place for its store locations. To participate, you must contact AmeriGas directly.

**Q. What is the AmeriGuard per-gallon rate available to me under this offer?**

A: The per-gallon rate will vary depending on where you live. AmeriGas will provide this information when you contact the company directly.

**Q. Does the Attorney General recommend that I sign up for AmeriGuard?**

A: Signing up for AmeriGuard, or any other long-term contract, is a choice each person should explore to see if it makes sense for him or her. In general, signing up for a fixed-price program for propane purchases can help you obtain greater predictability in your winter budget, and can be beneficial for customers who make multiple propane purchases during the winter months. But, the value of such programs depends both on the price of the fixed-price being offered, the customer's individual usage, and other customer-specific factors.

This aspect of the settlement is an added option that some will find beneficial. The Attorney General encourages all propane consumers to learn about such programs, and to compare prices being offered by the various propane providers serving your area. As with any buying decision: the more you know about your options, the better off you will be.

**Q. How else will this settlement help consumers in the future?**

A: AmeriGas has agreed to implement heightened training for its customer service representatives who serve Michigan consumers to ensure pricing errors and other problems are avoided in the future.

**Q. How do you know that AmeriGas will follow through as promised?**

A: The settlement includes provisions that will allow the Attorney General to monitor compliance. If AmeriGas fails to follow the provisions of the settlement, the Attorney General can go to Court to enforce the agreement.

**Q. How do I find out more about the settlement?**

A: You can read the entire settlement document at [http://www.michigan.gov/documents/ag/Final\\_Settlement\\_Agreement\\_10-16-2014\\_472082\\_7.pdf](http://www.michigan.gov/documents/ag/Final_Settlement_Agreement_10-16-2014_472082_7.pdf)

**Q. Are you reaching a similar settlement with other propane companies?**

A: In September 2014 the Attorney General entered into a similar agreement with another propane retailer, Ferrellgas. The Ferrellgas settlement brought more than \$100,000 in refunds and account credits to more than 600 propane customers. Together, the two settlements provide more than 6,800 Michigan consumers with a share in almost \$700,000 in credits and refunds.

As for other companies, the Attorney General has already worked with many companies to resolve a number of complaints and continues to work with companies to reach appropriate resolutions for consumers.

**Q. Why did the Attorney General Schuette investigate propane companies?**

A. The Attorney General's investigation of the propane industry began after receiving multiple complaints from Michigan consumers across the state. To date, the Attorney General has received more than 500 complaints against propane retailers involving incidents last winter.

**Q. Where should I go if I believe my propane company is acting improperly?**

A. If consumers have 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).