

This story is taken from [Sacbee](#) / Our Region

With no regulation, it's consumers beware with propane suppliers

clocke@sacbee.com

Published Tuesday, Mar. 17, 2009

In cold winter weather, people tend to keep one eye on the thermostat and the other on the energy bill.

But in communities that rely on propane for heat, it may take more than adjusting the temperature to control fuel costs. Consumer vigilance is key.

About 500,000 California households use propane, according to the Western Propane Gas Association in Sacramento. Many are in the foothills and rural areas that lack access to natural gas.

Unlike electric and natural gas rates subject to government regulation, propane prices are market driven and set by suppliers. But propane customers often don't know the price per gallon until after they've filled their tanks.

Placerville-area resident Linda George said she and her husband became concerned in December when their Suburban Propane rate rose to \$4.34 per gallon. They consulted six other area suppliers who quoted prices ranging from \$2.04 to \$2.55 per gallon. The Georges discovered they had been paying more than the going rate since July 2007.

When they called the Suburban Propane office in Placerville to question the price, the service representative said, " 'Oh, there must be a computer problem,' " Linda George recounted. "And then, without hesitation, she offered to lower our per-gallon rate from \$4.34 to \$2.35."

But when the Georges requested adjustments for what they contend had been several months of overcharges, Linda George said they were told the company could not go back that far.

Norman Fearington, manager of Suburban Propane's Placerville office, referred a reporter's questions to corporate offices in New Jersey. But Fearington said he would be happy to talk to the Georges about their problem.

Peter Teshima, the company's managing director for marketing, said propane prices are based on fair competition. Customers who don't get satisfaction from local representatives can call the company's toll-free customer service line, he said.

"We take every customer complaint very seriously and track every one down," Teshima said.

The Georges have changed suppliers and received a \$300 refund from Suburban Propane, the amount they were overcharged for their final 151-gallon delivery. But Linda George worries that many people, particularly seniors with low incomes, might not question their bills.

"An elderly person might not be as feisty as me," she said. "For them, it may be food or fuel."

Al Hamilton, an attorney with El Dorado County Senior Legal Services, said the Georges' experience is typical of stories he hears from clients.

This time of year, he said, Senior Legal Services receives about a half-dozen complaints per month regarding propane bills. Most come from residents of mobile home parks who don't have the option, as individuals, of changing suppliers.

Customers have little recourse, he said, but to challenge bills on a case-by-case basis.

Propane companies typically own the tanks they service, and one supplier won't fill another's tank. Homeowners have more flexibility if they purchase their own tank, but the cost can range from \$800 to \$1,500, Hamilton said.

If a tank is at least half empty, another supplier usually will pump it out and install a new tank. Unless a contract stipulates otherwise, Hamilton said, the previous supplier should remove the old tank at no charge.

The Internet is rife with complaints about propane prices and related service costs. In March 2008, the Michigan attorney general's office announced an agreement with Inergy Propane LLC resolving consumer complaints alleging price gouging. The Connecticut Department of Consumer Protection earlier this year released an investigative report on propane complaints and recommended several issues for further investigation by the state attorney general.

A spokesman for the California Department of Consumer Affairs said complaints of price gouging are the purview of the attorney general. But Dana Simas, a public affairs representative with Attorney General's Office in Oakland, said the government would become involved in propane pricing only during a state of emergency.

Lesley Garland, president and CEO of Western Propane Gas Association, argued that consumers are in control, noting that most areas are served by multiple companies.

"In general, it's a good idea to routinely check in with your propane provider, ask about pricing and make sure you're getting the best deal," she said.

ShareThis

Call The Bee's Cathy Locke, (916) 608-7451.