

## Disclosure of Customer Rights and Company Policies

September 21, 2011

### Qualifications

AmeriGas is licensed by the State of New Jersey to perform propane delivery and service. Our license number is LPG-039.

AmeriGas is the nation's largest propane company, serving over 1.3 million residential, commercial, industrial, agricultural and motor fuel propane customers in nearly 50 states. AmeriGas has six locations in New Jersey. In 2009, AmeriGas celebrated its 50th Anniversary and in addition to being the most reliable, safest and responsive propane marketer in the country, it brings with it the stability of a business that has been a long-term member of your community and other communities across the country.

*Because the fees disclosed herein are subject to change, AmeriGas suggests that you regularly visit our website at [www.amerigas.com](http://www.amerigas.com) in order to view a list of our most current fees and charges, or that you call 800-427-4968 to speak with a Customer Service Representative.*

### Terms of Service

1. AmeriGas **does** require a credit application.

2. AmeriGas **does** reserve the right to require payment in advance of delivery (PIA) for customers whose credit is questionable. PIA customers may pay by the following means:

Cash     Certified Check     Personal Check     Credit Card.

3. For other than PIA deliveries, AmeriGas requires payment within 30 days of receipt of its invoice. Late payments are subject to a late fee of the greater of \$36 or 1½% of the average daily balance. For propane service work, payment is subject to the same conditions.

### Delivery Policy

AmeriGas uses the following delivery methods:

- *Automatic Delivery, also known as Forecasted Delivery:* AmeriGas schedules your delivery. Deliveries are made based upon the customers prior usage, local degree days, the number and types of appliances used at the customer location and a host of other factors. In the unlikely event that AmeriGas allows your propane system to run out of gas, there is no charge for the mandatory leak check.
- *Will-Call Deliveries or customer requested delivery:* The customer calls for deliveries. AmeriGas must be notified seven days before the desired delivery date. There is no minimum delivery amount. If a customer runs out of gas, the system must be leak checked prior to resuming service. A service charge will be assessed for the mandatory leak check.

### Pricing Structure

*Customers have the right to a written or oral price quote upon request.*

AmeriGas bases its price of propane on the following factors:

- Estimated annual usage (lower rates apply for larger users);
- The supply and demand of propane with customers usually enjoying lower rates for deliveries in the summer months;
- The cost of propane to AmeriGas, including transportation to its locations;

- Propane prices will increase if AmeriGas is unable to obtain propane from its customary suppliers; if there are terminal, refinery or pipeline disruptions; if allocation programs are put into place by pipelines, refiners or other suppliers; or if there is a lack of or inadequate transportation facilities;
- The customer's annual volume of purchases; and
- Whether you own or lease the tank or cylinder from AmeriGas.
- Price Dispute Resolution Procedure: Due to potential pricing volatility in energy markets, every customer has the right to discuss the price of propane delivered to their account and AmeriGas will make reasonable efforts to resolve pricing disputes through a standardized process. If a customer would like to discuss the price of his or her propane with AmeriGas, the customer should initially contact his or her local office Customer Relations Representative. If the customer is not satisfied with the resolution after discussions with the local Customer Relations Representative, the customer may advance the issue to the local Sales and Service Manager or another District level supervisor. If a resolution still does not occur, customer may call 800-427-4968 in order to speak with a corporate Customer Service Representative, who will be able to discuss the potential for a change in the customer's rate per gallon, a credit to the customer's account, or even a potential return of the product to AmeriGas.
- Special Trip Charge: This charge is incurred by customers who request immediate deliveries or customers who require non-emergency service after business hours or on weekends. The Special Trip Charge may vary greatly due to the distance involved and/or the time required to service this request and will be based on local labor rates. It may be as much as \$250 depending on the facts and circumstances and the location.
- The "Fuel Recovery Fee" is a fee charged by AmeriGas to help offset the increase in the cost of the fuels being used to operate its delivery and service trucks. Like other delivery companies, higher fuel costs have added significant cost to AmeriGas deliveries. This fee fluctuates on a monthly basis with the costs incurred by AmeriGas. AmeriGas constantly reviews equipment usage and fuel consumption and wherever possible we work our vendors to secure lower prices for our customers. The current fee is \$7.76 (as of September 15, 2011)
- The Hazardous Material & Safety Compliance Fee, which is currently \$9.69, offsets the costs incurred by AmeriGas in complying with Federal, State and local regulations imposed on suppliers of hazardous materials, including propane. The fee is not government-imposed or paid to any government entity. The fee covers costs AmeriGas must expend in order to comply with governmental regulations concerning: workplace safety, federal and state codes and the environment. Additionally, the fee covers AmeriGas' costs for several safety programs.
- Service Dispatch Charge – This charge is to cover the costs associated with dispatching a service technician to a Customer's residence or other location to perform service work on customer-owned equipment and appliances. Customers should note that upon arrival at Customer's location, additional charges may be assessed depending upon the nature of the problem. The current Service Dispatch Charge is \$54.99 and is collected at the time the service is scheduled. This charge will not be credited toward service work performed. Please check with your local AmeriGas office regarding the availability of appliance repair service.

## **Pricing Policy**

***Customers have the right to a price quote in a format that allows for comparison shopping.***

AmeriGas charges for propane based on the number of gallons delivered. Where meters are used at locations when more than one customer is served from the same propane supply tank(s), AmeriGas will convert that pricing into a dollar per gallon equivalent for comparison purposes. The price of propane like any commodity changes over time. This will affect your bill as the price fluctuates. AmeriGas pricing policies will determine how often your bill is adjusted to account for changes in the cost of propane. AmeriGas offers the following pricing options:

- **Smart Pay:** The customer's payments for the year divided into a fixed monthly amount based on projected usage over a number of months. The last month of the year is used to pay the balance. Customers enrolled in AmeriGas's Smart Pay Program receive a two-cent per gallon discount and must be on automatic (also known as forecasted) delivery. Additionally, customers enrolled in the Smart Pay Program are also eligible for participation in AmeriGas's Payment Protection Plan, which, for an annual fee of \$39.99 for single coverage and \$59.99 for joint coverage, ensures that remaining monthly payments for the current term will be covered in the event of death of the primary or joint account holder, whichever is applicable.
- **Guaranteed Price - Pre-Buy:** This program is available to customers who purchase 300 or more gallons of propane

annually and enables the customer to purchase his/her annual propane gallons in advance at a guaranteed price per gallon. The customer must pre-pay 100% of his/her estimated annual usage. An annual enrollment fee may apply. Customers who select the Pre-Buy alternative want to buy a specific amount of propane that they will use during a specific period of time at a single, fixed price.

- **AmeriLock - Guaranteed Price - Pay by Delivery:** This program is available to customers who purchase 300 or more gallons of propane annually and enables the customer to pay his/her propane bill by delivery at a guaranteed price per gallon. An annual enrollment fee may apply. The current fee is \$112.00 (annually).
- **AmeriGuard-Guaranteed Price-Monthly Payments:** This program is available to customers who purchase 300 or more gallons of propane annually and enables the customer to pay his/her propane bill on a monthly basis at a guaranteed price per gallon. Under this program, all deliveries made will be automatic deliveries forecasted by AmeriGas. In other words, this program is for customers who want to enjoy a fixed price per gallon for a fixed term during which they wish to spread the cost of propane over the term. Additionally, customers enrolled in the AmeriGuard Program are also eligible for participation in AmeriGas's Payment Protection Plan, which, for an annual fee of \$39.99 for single coverage and \$59.99 for joint coverage, ensures that remaining monthly payments for the current term will be covered in the event of death of the primary or joint account holder, whichever is applicable. The current AmeriGuard fee is \$112.00 (annually).

## **Equipment Fees**

***Customers have the right to either rent equipment from AmeriGas or use their own equipment.***

AmeriGas has the following equipment related fees:

- Fee for the installation of tanks associated with a new service. This fee is charged at the time that the installation occurs.
- Fee for the replacement of tanks associated with an existing service. This fee is charged at the time that the tanks are replaced.
- Rental fee for tanks and regulators when using AmeriGas's equipment. Tank rent may be affected by, among other things, the costs of ongoing maintenance, compliance with applicable laws and associated administrative expenses. This fee is charged annually.
- Fee for inspecting tanks and regulators when customer-owned equipment is used. This fee is charged at the time of every delivery into a customer-owned tank.
- Meter Service Fee. This fee is incurred by customers who receive propane through a centralized tank monitored by an AmeriGas meter. This fee defrays the costs of meter reading, meter maintenance and related administrative costs. The current fee is \$9.99 per month.
- Fee for service work on AmeriGas's equipment.
- Fee for service work on customer's equipment.
- Fee for leak checking the customer's system under the following conditions:
  - When a will-call customer allows his/her propane tank/cylinder to run out of gas;
  - When a customer requests a leak check because he/she suspects a leak;
  - When an account is not in good standing and the customer allows the tank/cylinder to run out of gas or is locked-off; and
  - When a customer with a customer-owned tank initiates service with AmeriGas.

*Note: Fees for service work are based on the specifics of the particular job to be done, therefore pricing is on a case by case basis.*

## **Change of Supplier**

***Customers have the right to change suppliers if they are dissatisfied with the price or service offered.***

Termination of service is subject to the terms of your contract. The following conditions apply to a discontinuance of service:

- In general, AmeriGas will remove our container within 45 days of written notification that the customer is terminating service. In some instances, primarily during the winter heating season, because of the press of business and conditions that prevent the pick-up, the time period may be extended.

- AmeriGas does not confirm the appointment for tank pick-up unless the customer has special circumstances.
- **Underground Tank Removal Fee:** AmeriGas will pass on the third party excavation fees incurred by it for the removal of the underground tank(s) to the customer plus \$60 per installation for the removal. Installation means a tank or cylinder or group of tanks or cylinders servicing a single building. For example, two 500 gallon tanks servicing a home is a single installation. If the home has a pool using a 420 pound cylinder to fuel pool heat that is a second installation and the 500 gallon tank servicing the in-law apartment over the garage is a third installation.
- AmeriGas will credit the customer for any propane remaining in the container at the time of removal at the price that you paid for the propane. (You are permitted to be present when the remaining volume is removed.)
- **Pump-Out or Re-Stocking Charge:** If the propane supply tank leased to the customer is an ASME specification tank, AmeriGas must pump the tank out prior to transporting the tank if there is more than 5% of the tank's water capacity in volume of propane remaining in the tank. In general, ASME tanks range in size from 500 to 1,000 gallons and are horizontal tanks. This charge defrays the cost of the labor and equipment used in pumping out the tank and returning the tank to AmeriGas's inventory. There is a pump-out charge which is \$120.00. This is in addition to the Removal Fees set forth above. Customers can avoid this charge by continuing service with AmeriGas until the supply of propane in the tank is less than five percent.
- AmeriGas also charges a Service Disconnect/Termination Charge. The labor associated with disconnecting service or removing equipment when a customer terminates service with AmeriGas. This includes all aspects of the administrative process necessary to close the account. The current charge is \$100.

*Note: At one- or two-family residential properties the new marketer may disconnect and move containers owned by others; however the new marketer may not fill a container owned by another marketer. At other properties, the new marketer cannot remove, connect, disconnect, fill or refill any propane container without written permission from the owner of the container.*

## **Disconnection**

***Customers have the right to be notified seven days prior to the disconnection of service for non-payment.***

## **Complaints**

In New Jersey, the Liquefied Petroleum Gas Board regulates the licensing of marketers as well as enforces safety regulations on propane systems. The LP-Gas Board does NOT regulate pricing. If you are dissatisfied with the price your marketer is charging, you have the right to change marketers in accordance with the terms of your contract with your current marketer.

1. Complaints or questions should first be brought to the attention of your marketer.
2. If you are not satisfied with your marketer's response and wish to pursue a complaint, contact the Department of Community Affairs at (609) 633-6835 or by email at [LPGas@dca.state.nj.us](mailto:LPGas@dca.state.nj.us). Complaints by phone should be made Monday through Friday from 8:30 to 4:30.

Because rates and policies differ among marketers, first time customers or customers considering moving to a new marketer; should be informed enough to ask a few key questions.

## **Key Questions Consumers Should Ask When Changing Marketers**

- Does the marketer have a current, valid license issued by the New Jersey Department of Community Affairs? The list of licensed marketers is available on the Department's website at [www.state.nj.us/dca/codes/lp\\_gas/pdf/licensees.pdf](http://www.state.nj.us/dca/codes/lp_gas/pdf/licensees.pdf) or by calling (609) 633-6835.
- Is there a written description of services that will be provided?
- Is there a charge to install the container and/or related equipment necessary to establish service?
- What is the most economical method of purchasing propane?
- Do you have to call when you need gas or will they schedule your deliveries?
- How often will you receive a delivery? What days are delivery days? Are deliveries made on weekends?
- How much will it cost to receive a delivery outside of your normal schedule?
- Is the price based on your annual usage, the area you live in, the quantity per delivery or other criteria?
- How long after delivery do you have to pay your bill?

- Is there a penalty for a late payment?
- What is the marketer's policy if you need fuel in the winter, but you still have an outstanding bill?
- Does the marketer offer any of discounts that apply to you?
- Does the marketer have an equal payment plan?
- Does the marketer install and/or service LP-Gas appliances?
- Does the marketer have a website address?

Be sure to address any other concerns you may have that are not listed above.

### **Energy Assistance**

The following agency has programs available to assist low-income households with their energy bills. For more information, please contact directly:

Low-income Home Energy Assistance Program (LIHEAP) 1(800) 510-3102

### **Safety Recommendations**

- When handled properly, LP-Gas is a safe and efficient fuel source.
- Ask your marketer what procedures they have in place to ensure safety and integrity of the system which serves you. One such safety program is the GAS check Program, a voluntary program developed by the National Propane Gas Association. Information on this program is available from your marketer or on the National Propane Gas Association website at [www.npga.org](http://www.npga.org) or by calling (202) 466-7200.
- Follow all manufacturers' instructions for the proper use and care of your LP-Gas appliances.
- NEVER attempt to repair or alter an LP-Gas appliance. Contact your marketer or a licensed service representative for assistance.
- Keep areas around LP-Gas appliances clean and clear of combustibles.
- You, as the customer, are required to maintain clear access to your LP-Gas container at all times.
- An odorant has been added to your LP-Gas so you can detect if your system develops a leak. Learn what LP-Gas smells like. Your marketer has scratch-and-sniff pamphlets to help your family recognize its distinctive odor.
- Learn how to turn off your gas supply. Some gas valves require the use of a wrench to operate them. Ask your marketer for assistance if you do not know how to turn off your gas supply.
- Check [www.propanesafety.com](http://www.propanesafety.com), [www.npga.org](http://www.npga.org), the propane marketer's website or call your marketer for additional safety information.
- Ask your marketer whether all installations and services provided are in conformance with New Jersey Department of Community Affairs regulations.
- If you find an underground container dome or any other LP-Gas container completely submerged in water, turn off the container supply valve and notify your marketer.
- Keep underground container domes clear when it snows in case a delivery is needed.
- Notify your marketer prior to the installation of air conditioning or making any modifications to your home that are within ten feet of the container.

### **If You Smell Gas**

1. Exit the building, without using the telephone or cell phone, operating any electrical switches or lighting any matches or smoking materials.
2. If possible, turn off the gas at the container or meter valve.
3. Call 911 from a neighbors home.
4. Do not re-enter the building until the emergency responder tells you it is safe to do so.

Your marketer is required to respond to your request for assistance in an emergency.