



Connecticut
Petroleum Council

A Division of API

Steven Guveyan
Executive Director

44 Capitol Avenue
Suite 103-B
Hartford, Connecticut 06106
Telephone 860-246-8846
Fax 860-246-6495
Email ctpetroleum@comcast.net
www.api.org

**Testimony of
Steven Guveyan, Connecticut Petroleum Council
Opposition to HB-6511 (Gasoline)
February 24, 2009**

This bill requires refiners to report their proprietary wholesale gasoline prices (called dealer tank wagon, or DTW) in Connecticut to the Office of Policy & Management (OPM) for the three-year period 2006-2008. The Connecticut Petroleum Council, representing refiners, terminal operators and others operating in Connecticut, opposes HB-6511 for the reasons outlined below.

Each Company Has The Right To Protect Its Proprietary Business Plan & Business Model.

Wholesale prices from a refiner to its own service station dealer network are an important part of its proprietary business plan. That plan is critical to how it competes against other companies and grows its business. Prices (and other proprietary data such as inventories, supplier contracts and hedging techniques) are closely guarded by each company for anti-trust reasons and also because they are key components of each companies' business plan. Publication of that data can undermine competition, to the detriment of consumers.

There Has Been No Showing Of Any Wrongdoing By Refiners On Gasoline Pricing That Would Justify Releasing This Data.

Refiners have been subpoenaed repeatedly, so presumably much of the data being sought by this bill has already been submitted to the Attorney-General and/or the Office of Consumer Protection. The history of wholesale gasoline pricing in Connecticut has been excellent: a series of price investigations aimed at refiners has revealed no price-gouging or wrong-doing whatsoever. There were major investigations in Connecticut during 1997 (August price spike); 2003 (gasoline price increases); 2005 (Hurricane Katrina, Wilma and Rita); and 2008 (Hurricane Ike), all of which involved subpoenas or civil investigative demands (CID's). After Hurricane Ike, there were 2 simultaneous investigations in Connecticut (one by the Attorney-General, and one by the Office of Consumer Protection), and no wrongdoing by refiners from either investigation was found. Releasing the prices required by this bill should be reserved for cases in which repeated and intentional acts of wrong-doing have been found.

Other Key Points:

- We are unaware of any other industry that has been required by law to do what this bill requires.
- Pricing information is already available from a variety of public and private sources. The US DOE/EIA website contains much pricing information; information can also be found from private companies that report oil on oil prices, such as OPIS and PLATTS.
- The so-called "confidentiality provision" of the bill may not be enough to actually ensure confidentiality. Various pieces of confidential information about DTW's have been leaked over the years, and became public information.