From: Cornell-Brown, Rowan

Sent: Friday, April 06, 2018 3:58 PM **To:** 'rhemley@gravelshea.com'

Cc: Curtis, Christopher

Subject: Supplemental Public Records Response **Attachments:** 2018 04 06 PRA Supplemental Response.pdf

Dear Attorney Hemley:

Attached please find a copy of a letter from Christopher Curtis, along with a supplemental document production responding to your public records request, which are also being sent to you via U.S. Mail.

Best,

Rowan Cornell-Brown

Paralegal Consumer Protection & Antitrust Units Office of the Vermont Attorney General 109 State Street Montpelier, Vermont 05609 802-828-5507

TEL: (802) 828-3171 FAX: (802) 828-3187

THOMAS J. DONOVAN, JR. ATTORNEY GENERAL

JOSHUA R. DIAMOND DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN CHIEF ASST. ATTORNEY GENERAL



http://www.ago.vermont.gov

STATE OF VERMONT OFFICE OF THE ATTORNEY GENERAL 109 STATE STREET MONTPELIER, VT 05609-1001

April 6, 2018

Robert B. Hemley, Esq. Via U.S. Mail & Email (rhemley@gravelshea.com)
Gravel & Shea
76 St. Paul Street
PO Box 369
Burlington, VT 05402-0369

Re: Public Records Request

Dear Attorney Hemley:

On June 16, 2017, you requested the production of the following public records:

- 1. All communications to or from any employees of the Vermont Attorney General's Office and any employees of Bailey Glasser, LLP relating in any way to gasoline prices in Chittenden, Franklin, or Grand Isle Counties, from 2005 to present; Champlain Oil Company, R.L. Vallee, Inc.; S.B. Collins, Inc., or Wesco, Inc.; or the action brought by Jacob Kent, et al. against R.L. Vallee, Inc., et al. in the Vermont Superior Court, collectively the "Requested Categories".
- 2. All communications to or from any employees of the Attorney General's Office and any employees of The Burlington Law Practice, PLLC relating to the Requested Categories.
- 3. All communications to, from, or among employees of the Attorney General's Office and any other person relating to the Requested Categories.
- 4. All other documents relating to the Requested Categories.

On July 3, 2017, an initial response, including 65 pages of responsive documents, was sent to you via email. On October 2, 2017, we sent an additional 525 pages of responsive documents.

Enclosed with this letter, please find a supplemental response of 48 additional pages of documents identified as responsive to your public records request.

Please be advised that we have withheld records that are exempt from disclosure under 1 V.S.A. \S 317(c)(4).

To the extent you feel information has been withheld in error, you may appeal to the Deputy Attorney General, Joshua Diamond.

Thank you.

Best Regards,

Christopher J. Curtis,

Chief, Public Protection Division

Cadmin

Sent:

Friday, July 06, 2012 2:07 PM

To:

'robert edmonds'

Subject:

RE: FW: Gasoline Prices

Mr. Edmonds,

I appreciate your concern on this issue, and I spoke with Mr. Sutkoski on background for his article. As I indicated previously, our office cannot, by law, disclose to you any information about investigations. We would not be able to discuss whether or not an investigation was pending, nor disclose any specific businesses under investigation. Absence of disclosure is not the same as apathy. While it may be politically expedient to trumpet Attorney General's Office investigative efforts, it is not likely to result in the best outcomes for consumers.

I applaud you and others for continuing to raise consumer issues to the forefront of public discourse. Active and engaged consumers are the best defense against unfair and deceptive practices in the marketplace.

Best Regards,

Jason M. Duquette-Hoffman, M.S. Program Coordinator

Vermont Attorney General's Office Consumer Assistance Program 146_University Place Burlington, VT 05405 (802) 656-3183 (802) 656-1423 (FAX) www.uvm.edu/consumer

From: robert edmonds

Sent: Friday, July 06, 2012 12:45 PM

To: Cadmin

Cc: mtownsend@freepressmedia.com; jfogler@freepressmedia.com

Subject: RE: FW: Gasoline Prices

Mr. Jason M. Duquette-Hoffman, M.S.

That is quite a name, I would assume that anyone with a hyphenated name followed by a title of M.S. is very knowledgeable.

I was very disappointed in your reply. It is very hard to believe that the AG's office does'nt see the possible collusion to FIX high prices on gasoline. As you may know by now Matt Sutkaski of the Free Press did an excellent report on June 30th regarding the UNUSUALLY HIGH PRICE OF GAS IN northern Vermont. In addition Senator Bernie Sanders has Requested an investigation by the FTC to determine why we are paying so

much more than southern areas and. I recently paid \$3.22per gallon. It just seems that your apathy (and the AG office) is quite similar to the despicable apathy of Congressman Thornberry (TEXAS) when he couldn't take the five minutes to find out what happened to Lt. Billie Harris when he was shot down in France in July 1944. Shame on him!!

Considering the recent events of the Free Press and Senator Sanders, don't you think it would be wise to AT LEAST contact WESCO, SB Collins, Champlain Oil, and RL Vallee. But good luck in trying to contact them. Both myself and the Free Press have tried and the scenario is "They are busy with important matters. OR they are not in and will not be in soon," and on it goes!!!. Their voice messages are NEVER retirned.. So my advise to you is to SUPENA them immediately. You must be intellegent enough to figure out the collusion that is obviously going on.

By copy of this note to the Free Press it is hoped that they will apply some pressure on Mr Sorrell to find out just what is going on. It is hard to understand why yiur office at least doesn't get the "MESSAGE"

If the AG's office replies to this note I wand Me. Sorrel to personally send me the reply, not a staff member. As Mr.Sorrel campains for re election I will make it a point to find out where he make public appearences to ask him why his office can't even at least contact these gasoline dealers.

The Gasoline Dealers don't even list their e mail addresses so I will be sending this note and yours via US mail.

Robert Edmonds

--- On Wed, 6/27/12, Cadmin < consumer complaint (a) atg. state.vt.us > wrote:

From: Cadmin < consumercomplaint@atg.state.vt.us>

Subject: RE: FW: Gasoline Prices

To: "robert edmonds" <

Date: Wednesday, June 27, 2012, 3:04 PM

Mr. Edmonds,

We appreciate your concern on this issue, and it is a common subject of inquiry. As gasoline prices are NOT regulated, the legal question at hand is whether there is price fixing or collusion among dealers (as you indicated in your e-mail). The standards for demonstrating this kind of behavior are quite high under federal law, and one particular challenge to anti-trust actions in the gasoline marketplace is that pricing by dealers is easily determined. When there are a number of dealers on a street, and all are posting their pricing in large print on publicly-viewable signs, it is more difficult to allege collusion or price-fixing activity. Stations can (and do) claim that they are simply reacting to what they see in the public marketplace.

Your complaint information is available to the attorneys in the AGO to review and consider for further investigation and enforcement. CAP is not an enforcement agency, nor can we determine the enforcement priorities for the Public Protection Division. I should also note that if the AGO does conduct an investigation, any such investigation would be confidential and information about any investigation would not be made

available to the public or any individual consumer unless and until a settlement or other court filing were to be reached or entered.

Please feel free to contact me directly with any questions you might have.

Best Regards,

Jason M. Duquette-Hoffman, M.S.

Program Coordinator

Vermont Attorney General's Office

Consumer Assistance Program

146 University Place

Burlington, VT 05405

(802) 656-3183 (Consumer Hotline)

(802) 656-8755 (Direct line)

(802) 656-1423 (FAX)

www.uvm.edu/consumer

From: robert edmonds

Sent: Wednesday, June 27, 2012 2:49 PM

To: Cadmin

Subject: Re: FW: Gasoline Prices

Sir, I completely disagree with your response. It is my understanding the AG should be watching out for the consumer in addition to prosecutions. Who else will helop??? State and Federal reps can't be bothered either. Just who is on our side??????

A quick call from your office to dealers will get a better and a "no BS" response.

So please help and do the right thing.

If I have the pleasure of seeing Mr. Sorrell during his campaign I will address this IMPORTANT issue.

Robert Edmonds

--- On Wed, 6/27/12, Cadmin < consumercomplaint@atg.state.vt.us > wrote:

From: Cadmin < consumercomplaint@atg.state.vt.us>

Subject: FW: Gasoline Prices

To:

Date: Wednesday, June 27, 2012, 10:28 AM

Mr. Edmonds,

. 51.11

Thank you for your inquiry to the Consumer Assistance Program. The Vermont Attorney General's Office does not set or regulate gasoline prices in Vermont. The office may however determine if gasoline price gouging is an issue, but only if the Governor declares a "market emergency," in which case the Attorney General can sue a fuel dealer who is selling fuel at a price that is "unconscionably high." For more information specific information, please refer to the Attorney General's website: http://www.atg.state.vt.us/issues/consumer-protection/gasoline-pricing.php

Additionally, if you hope to see more regulation on gasoline prices in Vermont, you may consider contacting your state representatives to voice your concern. You can find contact information for your state representatives by accessing the Legislature's online directory:

http://www.leg.state.vt.us/legdir/findmember4.cfm

Thank you,

Anthony Bambara

Consumer Advisor

Vermont Attorney General's Office

Consumer Assistance Program

146 University Place

Burlington, VT 05405

(802) 656-3183

(802) 656-1423 (FAX)

www.uvm.edu/consumer

From: Mary-Kay Swanson

Sent: Wednesday, June 27, 2012 10:21 AM

To: Cadmin

Cc: Mary-Kay Swanson Subject: FW: Gasoline Prices

Do items like this go to you, or to antitrust?

MK

From: robert edmonds

Sent: Monday, June 25, 2012 12:26 PM

To: Joanne Perreault Subject: Gasoline Prices

Mr. Sorrell

The price of gasoline in Vermont continues to be extremely high even though prices through out other areas in the north east have dropped considerably.

When prices started to rise months ago the increases were almost every day. If a speculator had a dream that oil prices MAY go up we experienced gasoline prices with in micro seconds. Now that oil prices have dropped and continue to drop to their lowest

levels of \$80+ per barrel we only see extremely small decrease. I checked with a dealer and got a vague excuse not an answer.

What I and many others would like you to do is find out what is going on and if there is

any price fixing going on or collusion with dealers., WE DESERVE AN ANSWER that is clear. When other are paying 50 cents less per gallon it seems very unfair to us.

Please address your answer to my home mailing address below.

Robert Edmonds

Sent:

Tuesday, July 17, 2012 12:11 PM

To:

Cc:

Swanson, MaryKay

Subject:

Sanders' attack on Burlington Fuel Retailers/Wholesalers

Villain du jour! FINAL.docx

Mr Swanson,

Attachments:

It was a pleasure chatting with you and I appreciate you assistance in getting my write-up on Mr. Sanders' claims of retailer "rip-offs" to Attorney General Sorrell. As you will learn from the attachment - the Sanders camp were for the most part clueless as to the complexity of distribution, capital investment cost, etc. that are all factors in retail pricing of gasoline.

My write-up has a bit of a cynical edge to it, Mr. Sanders' "Crisis du jour" is almost becoming light comedy - so I was concerned when Mr.

Sorrell seemed to enter the fray yesterday. My writings are by no means an exhaustive study - my intention was to discover the validity of the Sanders claim for myself - however all of the information is 100% accurate and verifiable! understand that it is an election year and we are all looking for issues - however I think that there are plenty of "real" problems to be concerned without without the Press or the State Attorney General following Mr. Sanders into his latest mis-adventure.

While Mr. Sorrell and I are in different camps politically - I hate to see honest businessperson's reputations sullied by Mr. Sanders unfounded rants!

Should You our Mr. Sorrell have any questions, feel free to contact me at the numbers below!

Best Wishes, Brooke

H. Brooke Paige

on the web at: www.brookepaige.us

HELP IS ON THE WAY for Vermont and America!

BERNIE'S VILLAIN DU JOUR!

Dear Editor/ Publisher,

It is sad to see how little critical investigation is carried out before the media "goes to press" these days. Over the past week, Mr. Sanders has railed against the gas retailers claiming that there is something amiss with the pricing in the Burlington market – maybe something illegal (but don't quote him on that!). Mr. Sander's minions whip up the latest "crisis", give him the script, he goes out and regurgitates it before a camera somewhere and the press laps it up like its gospel - "the truth according to Bernie"!

Well, as usual, Bernie's truth and reality are two very different things. I am sorry that I didn't dig into this as soon as it broke – I figured that someone in the press would do some checking and report the facts. What was I thinking!

Below you will find the results of about two hours work on the morning of July 10th, most of the people I spoke with had already been contacted by the press – I guess what they told them just did not seem important or relevant! If you don't see how the information below significantly alters the stories that have appeared over you really need to find a new line of work – maybe writing fiction or children's stories.

Factors effecting Retail/Wholesale Gasoline Pricing in the Burlington Vermont Distribution Area:

1 - That the finished gasoline that is delivered from Rutland Distributors follows an entirely different production and delivery path than the gasoline delivered from Burlington/St. Albans Distributors.

RUTLAND fuels are produced on the East Coast in Northern New Jersey, Philadelphia and Delaware, then transported by rail to Albany, NY and trucked to Rutland - primarily distributed by Midway to Central & Southern Vermont with some distribution over the mountains to the Connecticut Valley (VT & NH). This product is primarily produced using less expensive WTI (West Texas Intermediate - light, sweet - low sulfur) crude.

BURLINGTON (and ST. ALBANS) fuels are produced primarily in Montreal at the Suncor Refinery. With additional supplies routed through Whitehall, NY and delivered to a terminal in Burlington for pick-up. All of the fuel refined in Montreal is produced from Brent (North Sea – light, sweet) crude, the most expensive oil in the world market. This crude is transported by tankers to the PMTL (Portland-Montreal Pipeline) off loaded in Portland, ME and sent by pipeline to Montreal for refining at Suncor. Champlain Oil Co. (COCO), Burlington; S. B. Collins, St. Albans and R.L. Vallee, St. Albans all purchase their fuels from a combination of these source, purchasing from the least expensive supplier.

The differential in the price of the unrefined Brent Crude is 10 - 25 dollars/barrel (42 gal/bbl) therefore the cost before refining is 24 - 60 cents/per/gallon. Starting to see why Burlington Gas cost more! Brent Crude is extracted from the North Sea Oil Fields off the shores of: Scotland, England, Finland, Denmark and Germany. The high quality of the crude and close proximity of the production fields to the European Markets permits the producers to command a premium price in the world marketplace.

Page #2 - Bernie's Villain du jour

- 2 MIDDLEBURY is serviced by suppliers in Rutland, Burlington and St. Albans. In this market the Rutland supplier has a significant cost advantage and the Burlington/St. Albans suppliers are forced to heavily discount their sales in order to compete for sales.
- 3 Each of the fuel distributors own and operate Convenience Stores (c-stores) in their primary markets: COCO operates Jiffy Mart Stores, S. B. Collins Jolley Stores, R. L. Vallee Maplefields and Midway Exxon/Mobil Mini-Marts (many with Dunkin Donuts in-store franchises). Not mentioned in this discussion, however certainly a retailer in the mix, is Cumberland Farms which wholly owns Gulf Oil, giving them the competitive advantage of being the petroleum producer, distributor and retailer for their gasoline.
- 4 Unfairly included in Mr. Sander's attack was Simon's Markets owned by Handy Enterprises. Handy DOES NOT distribute fuel in fact they are customers of several of the regional suppliers. Paul Handy's story is truly a wonderful rags-to-riches tale. Arriving in Vermont in 1954 from Lebanon (via Montreal), Paul began by working in a local gas station as a mechanic soon he purchased his first station. Over the years Paul and his brother, Salamin, built an empire that includes over a dozen Simon's Markets, Champlain Beverages (a soda distributor), The Shelburne Travelodge and the Countryside Motel. The brothers helped their relatives immigrate to Vermont sharing with them the wonderful opportunity that hard work and dedication had brought them. The Handys do not even belong in this equation they compete effectively in the Burlington Montpelier markets despite their purchasing disadvantage. Paul died in 2005 and his tradition of success is carried on by his sons Joseph and Peter, as well as nephews including Charlie who spoke with this author about Mr. Sander's attack. Charlie told me that he and his cousins have lots to tell Mr. Sanders about the additional difficulties that he has brought to the family business by his actions and inactions including this current foolishness. HEY BERNIE! pick up the phone and give the Handys a call, they has lots they would like to say to you.
- 5 The c-store business counts on gas sales to bring in customers, hoping that they will decide to come into the store and make an additional purchase. Gas is a lost leader (or at best a break even sale) and these operators count on the additional patronage to make their operations profitable. These retailers work diligently to maintain the lowest (profitable) prices the c-store side of their operations depends upon a constant flow of satisfied repeat customers. If gasoline sales were as profitable as "Bernie" would have us believe, do you think these folks would endure the headaches of running mini-markets and most often fast food operation **PLEASE!**
- 6 The Head of the Bureau of Economics at the FTC (Federal Trade Commission), Louis Silva, explained (in a telephone conversation, Tuesday) that the FTC report that Sanders cited is designed to compare the market prices in different markets not variations within markets (i.e. New England vs Gulf Coast the benchmark, not Burlington vs. Rutland or even Boston). The Weekly Report does not and cannot be used to compare local pricing within a market because of refining, distribution and marketing conditions unique to those areas (like those here in Vermont).

The Weekly Report was first published in the wake of Katrina to monitor the Gulf Coast markets (to check for gouging in the wake of the Hurricane). When it was found to be a useful tool for the FTC, the decision was made to make the report permanent. (Details in the September 2011 report "Gas Pricing and Petroleum Industry Update")

- 7 The Department of Energy routinely monitors and analyzes Market and Wholesale Pricing conditions. These market conditions are fully explained in the "D.O.E.'s Motor Fuels Understanding the Factors influencing Retail Pricing of Gasoline Report (GAO-05-525SP-2005)". The report details each of the factors that influence the pricing of gasoline. In brief the wholesale price, at the time the report was written, was a combination of: Crude Oil 48% + Taxes 23% + Refining 17% + Distribution and Marketing 12% = 100% to which the retailer added a mark-up of 4 15 cents/gallon. A 2011 update sets the percentages in the era of \$4/gallon gasoline at: Crude Oil 65%, Refining 14%, Taxes 13% (fixed in most states to a per gallon rate) and Distribution and Marketing 8% = 100% the retailer market-up remaining 4 15 cents/gal. a substantial percentage decrease when you consider that the sale price has doubled.
- 8 As if this was not enough to convince you that despite "Bernie" ranting was unjustified, these folks are probably not making a reasonable profit (let alone "cheating the consumer!"). Selling Gasoline is an expensive and highly regulated business the initial cost of setting up the tanks and pumps + required (and necessary) fire suppression equipment is generally \$250,000 to \$500,000 (or more) depending on the number of pumps and tanks, regular testing of the tanks (for leakage) cost over \$1,000 twice a year, service calls start at \$1,000 + time and materials, when the equipment fails. Additionally, the inspectors from Vermont Weights and Measures and Vermont Environmental Protection routinely visit and inspect each pump and tank at every location. Since most customers pay for their gasoline with a credit card, the retailers experience the related fees (over 5 cents/per/gallon) on all of these purchases. Still looking like EASY MONEY?

9- Lastly, several of the fuel distributors pointed out that the blame for higher gasoline (and other fuel prices: road diesel, home heating, etc.) rest firmly on the shoulders of the Obama Administration and the Democrats, including Vermont's stealth Democrat – Mr. Sanders. Through restrictive regulation, obstructive litigation and counter-productive legislation; the petroleum industry in this country is being brought to its knees. One example, especially important to Vermont, is a project called the "Trailblazer Plan" which has been held up by "red tape" for several years. "Trailblazer" would allow for the reversal of one of the two pipelines (the smaller 18") in the PMPL and allowing the underutilized "Enbridge Pipeline" that runs between Sarina, Ontario and Montreal to deliver crude from the extensive and prolific "tar sands" fields in Alberta. This would allow the same inexpensive crude that is at the heart of the controversy in the "Keystone Pipeline" story – to be delivered safely and inexpensively to Montreal. Additionally; the excess supply, that Montreal could not be refined at the Suncor facility (yes - there would be lots of inexpensive crude), would be sent on to Portland, ME. From Portland the crude would be forwarded to the East Coast refineries (NJ, PA, DE, etc.) providing them with a secure source of crude,

not subject to the whims of the Middle East or the labor difficulties in the North Sea fields! The only modification that needs to be made to the existing PMPL is the construction of an additional pumping

Page #4 - Bernie's Villain du jour

station in western Maine near the Canadian border – crude, like all other liquids doesn't like to flow uphill without a little assistance. [A historic note: the PMPL and the Enbridge Pipelines were built in 1941 to allow petroleum tankers to avoid the dangers of Nazi U-Boat attacks as they attempted to approach and navigate the St. Lawrence Seaway, by offloading their crude cargo in Portland. Both the Enbridge and the PMPL are well maintained and have excellent safety/environmental records.]

I could continue as there are many additional cost factors influencing gasoline prices - however only a little child (or a Vermont U.S. Senator) could still think that differences of 5 to 20 cents/gallon translate into consumer fraud, collusion among competitors or illegal activity!

All of these folks are hard working Vermonters carrying on family traditions that stretch back generations. So why has "Bernie" targeted these folks to be his *Villains du jour*? Did I neglect to mention that these folks are all rock-ribbed Republicans - safe and easy targets for the "independent" (Democrat in disguise) Sanders, who is well aware these folks would NEVER support him. YES - Tony Cairns (COCO), Bruce Jolley (S. B. Collins), Skip Vallee and the Handys are Republicans all - God love them! In fact, Skip was Bush's choice as Ambassador to Slovakia and the Handys have been personal friends of Governor Douglas for years!

Now I'm not holding my breath here, however do you think – maybe – AN APOLOGY FROM MR. SANDERS MIGHT BE IN ORDER? After trampling and defaming (through inference and obfuscation) the reputations of these respected Vermont Businessmen, you would think an "I'm Sorry!" would be in order! If Mr. Sanders need the phone numbers, I'd be happy to provide them!

H. Brooke Paige

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THE AUTHOR HAS NO RELATIONSHIP OR CONNECTION WITH ANY OF THE INDIVIDUALS OR BUSINESSES MENTIONED IN THE ARTICLE ABOVE. MY FIRST AND ONLY COMMUNICATION WITH THEM WAS ON THE MORNING OF JULY 10 - OFTEN HAVING LEFT A MESSAGE ON THEIR ANSWERING MACHINES OR WITH A RECEPTIONIST - ALL CALLS WERE PROMPTLY RETURNED. b.p.

H. Brooke Paige

YOU ARE WELCOME TO USE AND QUOTE ANY OR ALL OF THE ABOVE INFORMATION - WITH PROPER ATTRIBUTION TO THE AUTHOR (or to reprint this letter in its entirety).

TYPICAL UNDERLYING STORY PRINTED BELOW

You are here: News > Fuels
Focus On: Fuel Prices, Fuels Data

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Sanders: Burlington, Vt., Gas Prices Exceed FTC Projections

Senator says data shows dime above high, 43 cents above low CSP Daily News | July 12, 2012

BURLINGTON, Vt. -- U.S. Senator Bernie Sanders (I-Vt.) is claiming that gasoline prices in Burlington, Vt., in June were as much as a dime greater than a Federal Trade Commission (FTC) computer model projected they should be, according to commission data cited by U.S. Senator Bernie Sanders (I-Vt.).

The June price spike in Burlington exceeded what a computer model used by government economists said was the absolute highest price stations should be charging, he claimed in a statement.

Although he said prices dipped by several cents after he made public his call for a federal investigation into unusually high gasoline prices (see Related Content below for previous CSP Daily News coverage), the trade commission data details a month-long trend of unusually high prices in Burlington, he claimed.

The FTC turned over the data to Sanders after he called for a probe by the FTC and the Oil & Gas Price Fraud Working Group at the U.S. Department of Justice.

As of the first weekend in June, Burlington prices averaged \$3.84 a gallon, about two cents more than the computer model's predicted high and 34 cents above the predicted low, according to the FTC data. By June 30, the average price in Burlington was \$3.68 a gallon, a dime more than the predicted high of \$3.58 and 44 cents above the predicted low.

Burlington is one of 360 metropolitan areas around the nation where the FTC's Bureau of Economics tracks gasoline prices and compares them to a projection of what high and low prices should be. The monitoring project tracks wholesale and retail prices of gasoline "to identify possible anticompetitive activities and determine whether a law enforcement investigation would be warranted," according to the commission. The formula used by the monitoring project considers in supply and demand, geography and other factors.

Sanders pointed to evidence that in recent days Burlington gasoline prices were 15 cents to 29 cents greater than prices charged by <u>gas stations</u> only about 35 miles away in other Vermont towns.

"Prices here in the Burlington area and other parts of Vermont are much higher than they should be," Sanders said. "So far, no one has given me a particularly good explanation." One factor may be that just four companies own 58% of the stations in the Burlington market.

"People who own service stations have a right to make a <u>profit</u>," Sanders said. "They don't have a right to rip people off," he added.

Source: CSP Daily News

Related Terms: Fuels, Fuel Prices, Fuels Data

Dean Corren

Sent:

Wednesday, September 10, 2014 9:56 PM

To:

Sorrell, Bill

Cc:

Christopher Pearson

Subject:

Gasoline prices

Attachments:

Gasoline Price Release.docx; Gasoline Prices-Advisory.docx

Bill,

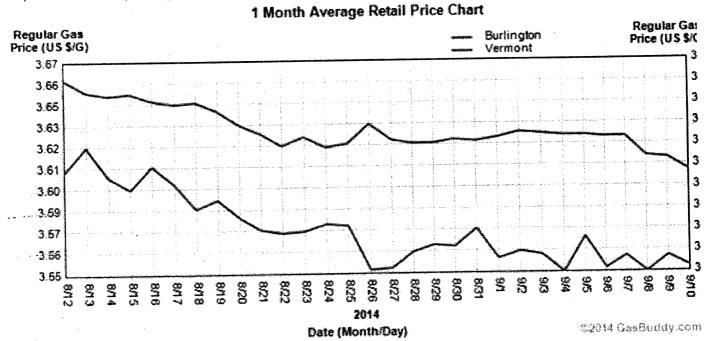
I'm resending this – I hope I don't have a mistake in the address.

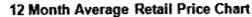
My understanding is that we'll try for next Tuesday, if that works before you leave.

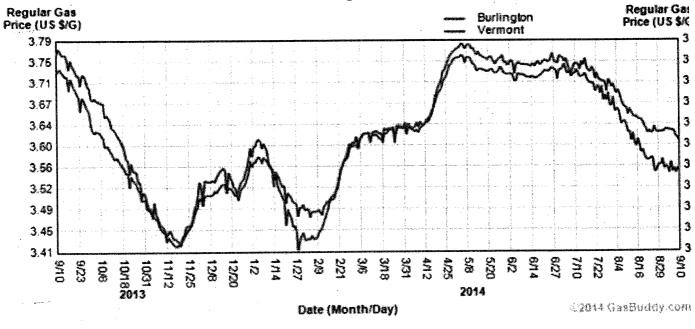
There will be some changes, e.g., in the press release we'll remove any reference to Dick Mazza (although I reserve the right to mention him later on, OK?), and we'll need to update the gas price data.

Thanks again, Dean

Also, here are a couple of graphs from GasBuddy.com that are illustrative:







Bill,

Attached are a draft press advisory and release for the gasoline price issue. Thanks very much for considering this.

Also, some background information from the Sanders and FTC investigations is copied below as a refresher for you and/or your staff (I don't know who worked on it before).

For tomorrow, we are preparing posters with photos from today of disparate prices in VT, and a plot of the gross profits from the study.

Perhaps you and Chris Pearson and I could speak around 3pm today. If there is a better time please let us know.

Also, a BFP story from just this past weekend:

http://www.burlingtonfreepress.com/story/news/local/2014/09/04/cheapest-gas-vermont-burlington/15044167/

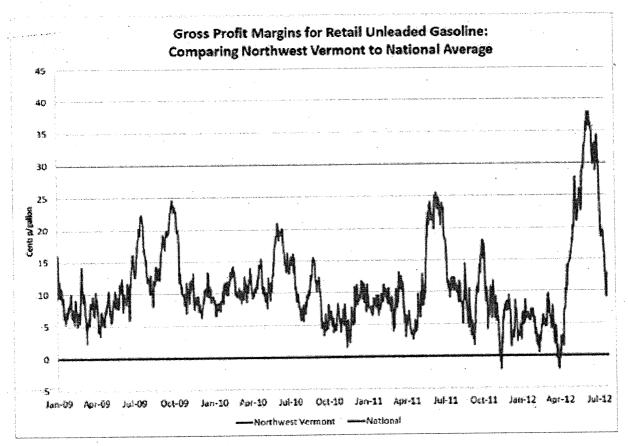
Regards, Dean

GROSS PROFIT MARGINS

Northwestern Vermont (Chittenden, Grand Isle and Franklin counties) has been particularly lucrative for gas dealers. The region was the 11th most profitable place in the United States to sell gas last year, according to the Oil Price Information Service. In 2012, just 13 markets throughout the country had an average annual profit margin of at least 30 cents a gallon. Northwestern Vermont was one of them, averaging about 32 cents a gallon in profit for each gallon of gas sold.

With just two exceptions, gross profit margins on gas sold in northwestern Vermont (Chittenden, Grand Isle and Franklin Counties) consistently exceeded the national average during a 3 ½ year period ending late last summer. These high profit margins translate directly into higher prices at the pump.

In the chart below, the blue line depicts how much above or below gas profit margins in northwestern Vermont were compared to the national average, which is noted in red. In late June 2012, the spike at the right of the chart, Burlington area profit margins were 38 cents a gallon <u>more</u> than the national average. Profit margins fell considerably after the senator launched his investigation into Vermont gas prices. Profit margin data were supplied by the Oil Price Information Service (OPIS).



Source: OPIS

CLICK to see chart

As part of his investigation, Sanders called upon the Federal Trade Commission to uncover why gas prices in northwestern Vermont were unusually high. The FTC found that gas prices in the Burlington area in June were as much as a dime to 43 cents greater than a Federal Trade Commission computer model projected they should be. An analysis of OPIS data also revealed that gasoline profit margins in northwest Vermont were double the national average, making greater Burlington the most lucrative gasoline market east of the Rockies this summer. In the wake of the senator's investigation, gasoline prices in the Burlington area became much more competitive. Profit margins fell and savings were passed along to Vermonters.

Report: Profit Margins (July 2012)

REGIONAL DIFFERENCES IN VERMONT

An analysis of gas prices throughout Vermont included a detailed examination of the weekly averages of fuel prices since the start of 2009. That analysis, using data provided by the Oil Price Information Service, revealed:

Vermonters living in northwestern Vermont consistently paid more than the U.S. average and the statewide average for gas.

- Burlington gas prices exceeded the U.S. average 86 percent of the time sometimes by as much as 29 cents per gallon. Burlington prices were higher than the statewide average 72 percent of the time.
- St. Albans prices exceeded both the U.S. and statewide average 90 percent of the time.
- Waterbury prices exceeded the U.S. average 97 percent of the time and were higher than the statewide average 100 percent of the time. In each of the 188 weeks examined, Vermonters buying fuel in Waterbury paid more than the statewide average.

Meanwhile, other parts of Vermont had much more competitive markets.

- Rutland never had higher prices than the statewide average. In each week of the more than three years examined, gasoline prices in Rutland were below the statewide average.
- Springfield exceeded the U.S. average less than half of the time and had prices higher than the statewide average just 7 percent of the time.
- Middlebury's average gas prices were lower than the statewide average more than half of the time.
- Vermont was above the national average 85 percent of the time.

Chrīs Pearson's bill: http://leg.state.vt.us/docs/2014/bills/Intro/H-476.pdf

Dean Corren

Christopher Pearson

Sent:

Sunday, September 14, 2014 10:18 PM

To:

Dean Corren; Sorrell, Bill

Subject:

Fwd: For Chris Pearson

Start from the bottom...some valuable information here from Bernie's staff, highlighting some of the basic data...

Chris

Begin forwarded message:

From: "McLean, Daniel (Sanders)" < Daniel McLean@sanders.senate.gov >

Subject: RE: For Chris Pearson

Date: November 30, 2012 at 10:46:09 PM EST

To: 'Christopher Pearson' Weinstein, David (Sanders)"

<David Weinstein@sanders.senate.gov>

Handys do own many stations. I can provide data next week- but they are not wholesalers, which is not what we focused on. Handys are buying from distributors like RL Vallee and SB Collins.

----Original Message----

From: Christopher Pearson

Sent: Friday, November 30, 2012 08:41 PM Eastern Standard Time

To: Weinstein, David (Sanders) Cc: McLean, Daniel (Sanders) Subject: Re: For Chris Pearson

Site looks great. It didn't adjust for my iPhone in case that's helpful.

What about Handy's? They own all the Simon's stations. I'm not sure how many that is but if its a lot then maybe go w five companies, doesn't sound a lot bigger than 4.

С

On Nov 30, 2012, at 5:09 PM, "Weinstein, David (Sanders)" < David Weinstein@sanders.senate.gov> wrote:

Christopher:

See below from Dan.

The link is to a webpage that hasn't gone live yet, so please don't forward.

The August statement you can obviously share.

-d

From: McLean, Daniel (Sanders)

Sent: Friday, November 30, 2012 4:47 PM

To: Weinstein, David (Sanders) **Subject:** For Chris Pearson

Dave: Feel free to share this with Chris. It's just about ready to go; just addressing a minor formatting issue. We have not released this page to the public yet, however.

http://www.sanders.senate.gov/consumers/

The best analysis of how the price of the pump is determined can be found <u>here</u>. (A formatting issue is being addressed on this page.)

Below, is Bernie's opening statement from the Aug. 6 Senate field hearing in Burlington. It is also good summary.

August 6, 2012

STATEMENT BY SEN. BERNARD SANDERS ON GAS PRICES

This is a formal hearing of the U.S. Senate Committee on Energy and Natural Resources and I want to thank Sen. Jeff Bingaman of New Mexico, Chairman of the Committee, for allowing us to hold this hearing in Burlington. I also want to thank Committee staff for being with us today. What is being discussed here will become a part of the official record of the Committee.

I also want to thank our panelists for taking the time to be with us and to share their views on this important issue.

The issue that we are going to explore today is an extremely important concern for many Vermonters and that is how gas prices at the local level are determined and why it is that, with few exceptions, gas prices at the pump in northwest Vermont - Chittenden, Franklin and Grand Isle Counties -have been significantly higher over the last several years than gas prices in other parts of Vermont, in New England, and throughout the country. That is the issue we want to explore today.

I think we all understand that in a rural state like Vermont high gasoline prices have a very serious economic impact on many people and families in our state. It is certainly not uncommon in Vermont for workers to travel 30, 40, 50 miles to their jobs and back. When gas prices get very high that is money coming right out of workers' paychecks, paychecks which in recent years have often been stagnant or even declining. High gasoline prices impact not only workers, but small business owners, family farmers, truckers, and volunteers delivering meals to senior citizens. In other words, they impact the entire local economy.

Let's be very clear. The issue that we are exploring today is a complicated one and is extremely opaque. It is an issue which has not gotten the public attention or transparency that it deserves. Today, what we are going to try to do is, to some degree, lift the veil of secrecy on this issue.

Let's be clear: there are many factors that go into setting gasoline prices in Vermont and across the country.

Gasoline prices to a significant degree are determined by the price of crude oil. When crude oil prices go up, gas prices go up. When crude oil prices go down, gas prices go down. Excluding for a moment, the enormous power of OPEC, the Oil Producing Exporting Countries, we have in this nation five giant oil companies -- Exxon Mobil, BP, Shell, Chevron, and ConocoPhillips - that have made more than a trillion dollars in profits over the last decade. I think it's fair to say that most consumers understand that these giant oil companies, who year after year make enormous profits, do not stay up nights worrying about the needs of consumers. Just in passing, as one small example, I would mention that in 2005 Lee Raymond, the former chairman of Exxon Mobil was given a nearly \$400 million retirement package by that company. I should also mention that these very same oil companies receive billions of dollars in generous tax breaks and subsidies from the federal government - something which I have been trying to end.

Further, another reason why oil prices are so high has to do with Wall Street speculators who are buying and selling huge amounts of oil on the energy futures market. The last information that I have on this issue is that Wall Street speculators control over 80 percent of the oil futures market. Needless to say, unlike fuel dealers or airline companies or trucking companies, these Wall Street firms do not use one barrel of that oil. They are there just to speculate and make huge profits.

Goldman Sachs, perhaps the largest speculator on Wall Street, came out with a report earlier this year indicating that excessive oil speculation is costing Americans about 56 cents a gallon at the pump. Others have made estimates that are even higher.

While these two factors, and others, can explain why gas prices have been extremely high on the national level, they cannot explain what we are exploring today - and that is the significant differences in gasoline prices that have existed in northwest Vermont compared to other regions of our state and other parts of the country.

Over the past several months, many Vermonters have asked me why consumers have been forced to pay considerably more for a gallon of gasoline in northwest Vermont than in other regions of the state or New England.

Clearly, in Vermont, state taxes are the same throughout the state and what we have learned is that transportation costs amount to just a few cents per gallon.

Why on July 6, 2012 - a month ago - would the same gas station company (Maplefields) charge \$3.35 a gallon in Middlebury while charging \$3.59 a gallon just 35 miles away in Burlington?

Why, on July 1st, were people in St. Albans paying on average -- looking at all the gas stations in that area -- \$3.60 for a gallon of gas, while people in Springfield, Vermont, on average, were paying less than \$3.40 a gallon?

Why, on June 24th, were people in Waterbury paying more than \$3.65 a gallon for gas, on average, while people in Rutland were paying an average of \$3.49 a gallon?

These are just a few of the questions that the citizens of Vermont have been asking me and that my office has been trying to answer.

On July 2nd, I asked the Federal Trade Commission (FTC) and the Oil and Gas Price Fraud Working Group to investigate why prices could be so much higher throughout northwest Vermont than in other areas of the state and country.

In the days that followed, we learned a lot of interesting information.

First, the FTC provided information showing gasoline prices in greater Burlington in late June were 10 to 43 cents a gallon greater than their computer model projected they should be based on historical wholesale prices.

Secondly, according to OPIS, the Oil Price Information Service, we learned that earlier this summer the Burlington area was the most profitable gasoline market in the northeast - more profitable than Washington, DC or New York City or, in fact, any other region east of the Rocky Mountains.

Further, according to data I received from OPIS, gasoline profit margins in Burlington more than tripled from January 1st of this year through June 30th of this year.

During the first half of this year, Burlington was one of the most lucrative markets in the entire eastern half of America.

As Ben Brockwell, the director of data at the Oil Price Information Service (OPIS), and one of our witnesses today, told the Burlington Free Press on July 13th: "Burlington is always the top market in the Northeast in terms of profits."

Let's be clear. What we have seen in the first half of this year is not an aberration.

Over the last three years, gasoline prices and profit margins have almost always been higher in the Burlington area than the national average.

In fact, over the past three years, Burlington area gas prices have exceeded the U.S. average 86 percent of the time - sometimes by as much as 29 cents per gallon. And, Burlington gasoline prices, over the past three years have exceeded the statewide average 72 percent of the time. Prices in St. Albans exceeded both the U.S. average and the Vermont average 90 percent of the time. Prices in

Waterbury exceeded the US average 97 percent of the time and Vermont 100 percent of the time.

As my office has looked at this issue, we have tried to understand why prices in northwest Vermont were so much higher than the rest of the nation, the rest of New England, and the rest of the country. And one conclusion that we have reached is that it appears that there is just not a whole lot of competition when it comes to gas prices in this region - certainly as compared to other parts of the state and this country.

One of the reasons for that may well be a reality that many Vermonters are not aware of. And that is that the three largest gasoline distributors in northwest Vermont (S.B Collins (43), Champlain Oil (35), and R.L Vallee (22)) own more than half of the filling stations in this region (owning 100 of 185 stations); and just four companies (adding Wesco (18) into the mix) own nearly two-thirds of the filling stations in northwest Vermont, or 64 percent -- owning 118 of 185 stations.

I suspect that this concentration of ownership and lack of price competition may be a significant reason why gasoline stations in northwest Vermont have been able to charge substantially higher prices than other regions of our state or the country.

No one is disputing that gasoline distributors have a right to make a profit. In my view, however, they should not be ripping people off in these tough economic times.

Now, let me mention something that I have found very interesting. And, that is that, since I have called for this investigation into unusually high gasoline prices in northwest Vermont, I am happy to say that I have detected a more competitive spirit among gasoline station distributors in Chittenden County. I say this fully understanding that national wholesale gas prices have soared in recent weeks, and have in the last couple of days been reflected locally.

On Friday, August 3rd, gas prices in Burlington were, for the first time in several months, below the national average. Today, as best as we understand, with gas prices in Vermont and nationally soaring, gas prices in the Burlington area remain at about the national average.

In the month of July, average gasoline prices in the Burlington area went down by about nine cents a gallon, even though wholesale gasoline prices in our region have gone up by more than 18 cents a gallon during this same time period.

Meanwhile, the national retail average price for gasoline during July went up by more than 19 cents a gallon, keeping track with the rise in wholesale prices. In other words, during July while gas prices nationally went up by 19 cents a gallon, they went down by 9 cents a gallon in the Burlington area. This indicates to me that when local distributors want to be competitive they have the capability of doing so. And, I hope very much that we continue to see that level of competition in northwest Vermont so that prices here reflect prices nationally and in the rest of New England.

Now, as many of you know, Costco has been trying to build a gasoline station at its Colchester location since 2007.

Costco recently informed my office, and I will enter that letter as part of the record, that it could have sold gasoline for 19 cents a gallon less than the average price charged by gas stations in Colchester during the past two years. And, I want to thank a representative from Costco for being here today.

I raise this issue not to be "pro-Costco" or "anti-Costco," but to emphasize that when low-cost competitors enter a market, what national statistics show is that market forces have a tendency to bring prices down.

Let me also be clear: Costco is attempting to receive a permit through a regional environmental board. This hearing today has nothing to do with that process because it would be totally improper for I or anyone else to be intervening in what is a state of Vermont quasi-judicial process. As I think most people now know some of the major opponents to Costco getting that permit are local gasoline distributors. In a letter to me, Costco wrote and I quote: "Since 2007 Costco has been seeking land use permits and approvals to build a gasoline filling station at our current store in Colchester, Vermont. We have obtained several approvals for our proposed gas station in Colchester, but each approval has been appealed by, among others, gas station owners in northern Vermont. We can discern no legitimate reason for these appeals, and believe that they are really an attempt to use the land use process to stifle competition for gas sales."

That's Costco's view. Others can form their own opinion.

From: Sent: To: Subject:	Sunday, September 14, 2014 8:18 PM 'Christopher Pearson'; Sorrell, Bill	
	•	
Great.		
Thanks		
Dean		
From: Christopher Pearson [Sent: Sunday, September 14, 201] To: Dean Corren; bill.sorrell@sta Subject: Gas Price Comparison po	te.vt.us	
Here are the two posters I'm about to send to Kinko's.		
Let me know quickly if you want	any tweaks.	
Chris		

Dean Corren <

Sent:

Thursday, September 11, 2014 5:08 PM

To:

Sorrell, Bill

Cc:

'Christopher Pearson'

Subject:

RE: Gasoline prices

Thanks, Bill.

Glad the email got through.

What we'd like to do is wait until you are available to do the press conference. Monday the 22nd at 11 AM-ish would be good, would that work for you?

If not, then Tuesday, Wed. or Thurs. could work.

Please let us know, and have a good trip.

Regards, Dean

Dean Corren



From: Sorrell, Bill [mailto:bill.sorrell@state.vt.us]
Sent: Thursday, September 11, 2014 4:35 PM

To: Dean Corren

Cc: Christopher Pearson **Subject:** Re: Gasoline prices

Dean and Chris, I need to be at the airport at 6:30 AM Tuesday for flight to CA. I'll talk to Chris about what could be said attributable to me on the gas pricing issues.

Bill

Sent from my iPhone

On Sep 10, 2014, at 9:55 PM, "Dean Corren" <

> wrote:

Bill,

I'm resending this – I hope I don't have a mistake in the address.

My understanding is that we'll try for next Tuesday, if that works before you leave.

There will be some changes, e.g., in the press release we'll remove any reference to Dick Mazza (although I reserve the right to mention him later on, OK?), and we'll need to update the gas price data.

Thanks again, Dean

Also, here are a couple of graphs from <u>GasBuddy.com</u> that are illustrative: <image002.jpg>

Bill,

Attached are a draft press advisory and release for the gasoline price issue. Thanks very much for considering this.

Also, some background information from the Sanders and FTC investigations is copied below as a refresher for you and/or your staff (I don't know who worked on it before).

For tomorrow, we are preparing posters with photos from today of disparate prices in VT, and a plot of the gross profits from the study. Perhaps you and Chris Pearson and I could speak around 3pm today. If there is a better time please let us know.

Also, a BFP story from just this past weekend: http://www.burlingtonfreepress.com/story/news/local/2014/09/04/cheapest-gas-vermont-burlington/15044167/

Regards, Dean

GROSS PROFIT MARGINS

Northwestern Vermont (Chittenden, Grand Isle and Franklin counties) has been particularly lucrative for gas dealers. The region was the 11th most profitable place in the United States to sell gas last year, according to the Oil Price Information Service. In 2012, just 13 markets throughout the country had an average annual profit margin of at least 30 cents a gallon. Northwestern Vermont was one of them, averaging about 32 cents a gallon in profit for each gallon of gas sold.

With just two exceptions, gross profit margins on gas sold in northwestern Vermont (Chittenden, Grand Isle and Franklin Counties) consistently exceeded the national average during a 3 ½ year period ending late last summer. These high profit margins translate directly into higher prices at the pump.

In the chart below, the blue line depicts how much above or below gas profit margins in northwestern Vermont were compared to the national average, which is noted in red. In late June 2012, the spike at the right of the chart, Burlington area profit margins were 38 cents a gallon more than the national average. Profit margins fell considerably after the senator launched his investigation into Vermont gas prices. Profit margin data were supplied by the Oil Price Information Service (OPIS).

<image001.jpg>

CLICK to see chart

As part of his investigation, Sanders called upon the Federal Trade Commission to uncover why gas prices in northwestern Vermont were unusually high. The <u>FTC found</u> that gas prices in the Burlington area in June were as much as a dime to 43 cents greater than a Federal Trade Commission computer model projected they should be. An analysis of OPIS data also revealed that gasoline profit margins in northwest Vermont were <u>double the national average</u>, making greater Burlington the most lucrative gasoline market east of the Rockies this summer. In the wake of the senator's investigation, gasoline prices in the Burlington area became much more competitive. Profit margins fell and savings were passed along to Vermonters.

Report: Profit Margins (July 2012)

REGIONAL DIFFERENCES IN VERMONT

An analysis of gas prices throughout Vermont included a detailed examination of the weekly averages of fuel prices since the start of 2009. That analysis, using data provided by the Oil Price Information Service, revealed:

Vermonters living in northwestern Vermont consistently paid more than the U.S. average and the statewide average for gas.

- Burlington gas prices exceeded the U.S. average 86 percent of the time sometimes by as much as 29 cents per gallon. Burlington prices were higher than the statewide average 72 percent of the time.
- St. Albans prices exceeded both the U.S. and statewide average 90 percent of the time.
- Waterbury prices exceeded the U.S. average 97 percent of the time and were higher than the statewide average 100 percent of the time. In each of the 188 weeks examined, Vermonters buying fuel in Waterbury paid more than the statewide average.

Meanwhile, other parts of Vermont had much more competitive markets.

- Rutland never had higher prices than the statewide average. In each week of the more than three years examined, gasoline prices in Rutland were below the statewide average.
- Springfield exceeded the U.S. average less than half of the time and had prices higher than the statewide average just 7 percent of the time.
- Middlebury's average gas prices were lower than the statewide average more than half of the time.
- Vermont was above the national average 85 percent of the time.

Chris Pearson's bill: http://leg.state.vt.us/docs/2014/bills/Intro/H-476.pdf



<Gasoline Price Release.docx>

<Gasoline Prices-Advisory.docx>

MEDIA ADVISORY: September 10, 2014 CONTACT: Chris Pearson – 802-860-3933

Corren and Sorrell Join Forces To Highlight Inflated Gas Prices in Northeastern Vermont

BURLINGTON, VT – Two Democratic candidates for statewide office have joined forces to highlight the inflated gas prices paid by people who live and work in Chittenden County and beyond. For several years, this issue has been brought to the forefront by US Sen. Bernie Sanders. Attorney General Bill Sorrell and Dean Corren, who is running for Lt. Governor as a Progressive and Democrat, say there are statebased solutions to help bring prices more in line with the rest of Vermont.

Press Conference: Thursday, 11:00 am at McCaffrey's Sunoco, at the corner of North Street and North Avenue in Burlington.

###

FOR IMMEDIATE RELEASE: September 11, 2014

CONTACT: Chris Pearson - 802-860-3933

Corren and Sorrell Say State Can Help Level Gas Price Playing Field

BURLINGTON, VT – Praising his former boss for highlighting unfairly inflated gas prices, Dean Corren thanked US Sen. Bernie Sanders for generating an important discussion and research. At his side was Attorney General Bill Sorrell who says his office is eager to help the thousands of Vermonters who are forced to pay high prices at the pump because they live in northwestern Vermont.

Standing in front of a large image that juxtaposes yesterday's (Sept. 9, 2014) pump prices between Middlebury and Burlington, the two Democrats explored why prices are \$0.23 lower just 35 miles down the road in Middlebury. "There are three major gas distributors in Chittenden County and Northeastern Vermont, and they just happen to own xx% of the gas stations in the area," said Sorrell. "Our working theory is that this allows the distributors to effectively squash competition and my office is interested in data that would reveal whether this is the case."

The pair suggest fuel distributors should be required to submit data that details how much gas they sell and to whom. The Attorney General's Consumer Protection office would then be able to determine if independent retailers are effectively barred from offering lower rates.

"This idea has been discussed in Montpelier and while a bill got hearings in the House, the proposal was essentially squashed last session by Senate Transportation Chair, Dick Mazza," said Corren. "We think Vermonters deserve a reasonable price for the gas that's essential to travel to work in our rural state, and will work to put this back on the table when the legislature convenes in January." Corren added, "This is not about making gasoline cheap, but ripping people off is not an energy conservation plan."

The duo took turns praising Sen. Bernie Sanders (I-VT) for getting the discussion started. "Every time Bernie raises this issue, we see gas prices drop for a couple of days. It would be nice to find a more permanent fix and the state can play an important role," said Corren.

"My office has been successful in protecting Vermont consumers whether it's xx or yy. We would like to be able to help save people some money and there's no reason people in Chittenden County should be forced to pay as 15-30 cents more per gallon than their neighbors down in Addison County. We need to make sure market competition ensures Vermonters get the best deal possible," said Sorrell.

Jill Abrams

Sent:

Monday, July 16, 2012 12:10 PM

To:

Bill Sorrell

Cc:

Janet Murnane

Subject:

Gas Price Press Release

Attachments:

Attorney General William Sorrell Asks FTC to Investigate Gas Prices.doc

Here's the draft press release.

Jill S. Abrams

Assistant Attorney General

Vermont Office of the Attorney General

Public Protection Division

109 State Street

Montpelier, VT 05609-1001

ph: (802) 828-1106

<mailto:jabrams@atg.state.vt.us> jabrams@atg.state.vt.us

P Please consider the environment before printing this e-mail

From: Jill Abrams

Sent: Monday, July 16, 2012 12:10 PM

To: Janet Murnane Cc: Wendy Burroughs

Subject: Gas Price Press Release

Raegan is here to help until 1:15 when she goes to lunch. I'm going to be in the conference room for our BBL if you need me.

Attorney General William Sorrell Asks FTC to Investigate Vermont's High Gas Prices

CONTACT: Wendy Morgan, Assistant Attorney General, (802) 828-5586

On July 13, 2012, Attorney General William Sorrell wrote [hyperlink to letter] to the Federal Trade Commission and asked it to move beyond its monitoring efforts into an investigation of Vermont's gasoline prices. Sorrell noted that Vermont gasoline prices vary significantly, and are substantially higher in the northwestern part of the state than elsewhere in the state and New England. This raises the question whether the existing gas prices are lawful.

In response to a request from the Attorney General's Office, the Vermont legislature passed an act criminalizing anti-competitive collusion in its most recent legislative session. As Sorrell explained, "The law is intended to encourage whistleblowers to come forward and assist the State in prosecuting antitrust violations. The new law underscores the importance to the Attorney General's Office of addressing anti-competitive behavior, and could be used by the State if such unlawful behavior has resulted in the disparate gasoline prices we are seeing. I encourage anyone with knowledge of the facts about Vermont's gas pricing to contact the Attorney General's Office."

Sorrell offered to meet with the FTC, and to assist the FTC in an investigation of this issue which is so important to Vermonters.

Julie Brill

Sent:

Thursday, April 03, 2008 9:06 AM

To:

Wendy Morgan

Subject:

RE: complaints re gas prices

Wendy: Did you ask Mike to pull the info together of VT's pricing vs. national averages for the past 6 months? If not, do you want me to do it (I have another 5 minutes)? -- J

----Original Message-----From: Wendy Morgan

Sent: Thursday, April 03, 2008 8:10 AM

To: Helen Wagner

Cc: Jay Bailey; Janet Murnane; Julie Brill Subject: RE: complaints re gas prices

If AJ already has all that you have, you may not need to do more (unless he's sick) as he as question already

----Original Message-----

From: Helen E. Wagner [mailto:hwagner@uvm.edu]

Sent: Thursday, April 03, 2008 6:09 AM

To: Wendy Morgan

Cc: Jay Bailey; Janet Murnane; Julie Brill Subject: Re: complaints re gas prices

CAP can run a report this AM. We have been sending everything to AJ, who I understand was doing a spreadsheet for Julie.

Quoting Wendy Morgan < WMorgan@atg.state.vt.us>:

- > Bill may have to respond to the press tomorrow noon re gas and fuel prices
- > Jay, can you tell me how many complaints we've received from the > complaint through the complaint form on the web over what time
- > period? recent increase would be helpful

>

>

- > how many has CAP received? or are the answers the same? to the
- > extent that you can tell me the additional number, that would be
- > helpful

>

From: Sent: To: Subject:	Christopher Pearson < CPearson@leg.state.vt.us > Friday, January 23, 2015 2:25 PM Bill Botzow;Patrick Brennan;Kriger, Ryan;Morgan, Wendy Fwd: Gas Collusion !!!
Folks,	
I found this note (below) very into have asked if he would share the	eresting and wonder if it might offer a way to keep this discussion moving forward. I name of the station and will let you know if he replies.
Chris	
Begin forwarded message:	
> I have talked to a local South B same answer to my questions ab > I am not sure if I was suppose to > The gas supplier is totally in chess.	vercharging for awhile and after reading today's paper I thought I would get involved. urlington gas station owner a few times over the years and I always have received the rout why the gas prices are so high. To know this, but he has always told me that he is not allowed to set his gas prices. arge in what he can charge for gas. Inds like it could easily be a part of making sure the independent gas stations do not need stations.
_	, but I have never seen it in the news and I thought I should tell someone interested in
> Thank you,	
> > Tony > >	
>	

12-09-1039-082912-Medor.txt

Sent:

Tuesday, August 28, 2012 7:09 PM consumer@uvm.edu

To:

Consumer Complaint Form Subject:

Below is the result of your feedback form. It was submitted by (jimslimjim@yahoo.com) on Tuesday, August 28, 2012 at 19:08:52

email:

Name: jim medor

Street:

City:

State:

ZIP: 05488

Phone: 802

Senior: Yes

Irene: No

Business Name: four families owned gas stations in northern Vermont

Business City: st.albans

Business ZIP: 05478

Complaint: s b collins has raised gas prices .25 cents in the past three months. every other station in swanton has followed the next day some on the same day. now you and anyone else can call this coincedence, I WILL CALL IT PRICE FIXING AND PRICE GOUGING.LET ME KNOW IF YOU PLAN TAKING ACTION ON THIS IMMEDIATELY, EVERY HOUR THESE PEOPLE ARE STEALING MORE FROM THE AMERICAN PRINT TO THESE PEOPLE ARE STEALING MORE FROM THE AMERICAN PRINT TO THESE PEOPLE ARE STEALING MORE FROM THE AMERICAN PRINT TO THESE PEOPLE ARE STEALING MORE FROM THE AMERICAN PRINT TO THE PROPERTY OF PUBLIC, THESE PEOPLE ARE SCUM AND NEED AND THIS NEEDS TO END IMMEDIATELY. LET ME KNOW

SINCERELY JIM MEDOR

June 21 2012

I'M writing this letter to complain to people in Montpalier who are suppose to be protecting our intenst. I read as article in the Messinger nonspaper to St. Albans. So may and Nonsport are paying \$3.29 gal. compared to 3.69 in St. Albans and Bushington. A to gal. goes a long may to most of us who are paycheck to paycheck.

Price (ixing should be a crime! It contribute greatly to the rich gating richer and the poor getting poorer.

Please respond to this letter! What are you

Robyu Niper

Received 3 24P

going to do about it!

JUN 25 2012

Complaint #:
Date Scanned:

<u>12-08-1013-071712-Gl</u>asstetter.txt

Glenn Glasstetter From: Monday, July 16, 2012 9:53 PM Sent: consumer@uvm.edu To: Subject: Gas Pricing Hello, This complaint is about the pricing to consumers of gasoline in VT and Chittenden County in It has been documented on local TV and in the Burlington Free Press in particular a series of articles that the price of gas in VT and especially in Chittenden County is significantly higher when compared to other areas in the region. I'm sure that AG William Sorrell is aware of this situation, so my question is what is he doing about it? To better define the problem, the following is a press release from Senator Bernie Sanders: FOR IMMEDIATE RELEASE July 3, 2012 4:24 PM CONTACT: Senator Bernie Sanders Michael Briggs (202) 228-6492 Sanders Calls for Investigation of Vermont Gas Prices WASHINGTON - July 3 - U.S. Sen. Bernie Sanders (I-Vt.) has called for a federal investigation into unusually high gasoline prices in the greater Burlington area compared to other parts of Vermont, New England and other areas throughout the country. In a letter to U.S. Attorney General Eric Holder and Federal Trade Commission Chairman Jon Leibowitz, Sanders wrote: "I am writing to urge the Oil and Gas Price Fraud Working Group and the Federal Trade Commission to conduct a joint investigation to determine why gasoline prices in greater Burlington, Vermont (Chittenden, Grand Isle and Franklin Counties) substantially higher than other parts of the state, New England, and similar areas throughout the Sanders spoke with the FTC chairman about the investigation on Monday country. afternoon. During one month, prices in greater Burlington fell just 15 cents a gallon -- from \$3.84 to \$3.69 for regular unleaded. That's the lowest price reduction in any of the 15 metro regions throughout New England, according to AAA's Daily Fuel Gauge Report data. The average price drop these New England metro areas for a gallon of regular unleaded was 25.9 cents during the month examined. Greater Burlington, as defined by AAA, includes Chittenden, Grand Isle and Franklin Counties. The analysis conducted by Sanders' office used the AAA data for monthly gas price changes with the month ending June 25. During this same time period, prices fell as much as 34 cents per gallon in Manchester, N.H. A price discrepancy is often seen with some of Vermont's neighboring states. Monday morning for example, Vermonters paid an average of \$3.55 a gallon for regular unleaded.

motorists in New Hampshire paid \$3.36 a gallon, on average. The modest 7 cent tax differential between the two states does not explain this 19 cent price discrepancy,

Page 1

even greater - 27 cents a gallon - when compared with greater Burlington, where

Meanwhile,

12-08-1013-071712-Glasstetter.txt

regular unleaded sold for an average \$3.63 a gallon Monday morning according to AAA data. average price of regular unleaded sold in Vermont has been selling for more than the national average since April 2012, while gasoline in New Hampshire gas has been selling for less than the U.S. average since May 2012. While there is an expense to transport gasoline, one of the industry's leading experts, Ben Brockwell, the director of data, pricing and information services for the Oil Price Information Service, states that hauling gasoline by truck 70 miles would add just 3 cents to the price of a gallon of gas. In Middlebury - just 35 miles south of Burlington- prices were as low as \$3.35 a gallon on Monday and most filling stations there sold fuel for no more than \$3.40 a gallon, according to VermontGasPrices.com Meanwhile, on the same day, a gallon of regular unleaded in St. Albans cost at least \$3.63 a gallon. At some Burlington stations, a gallon of gas was just shy of \$3.70. For a 20-gallon fill-up, the quarter more a gallon paid at some filling stations in greater Burlington translates to a \$5 premium on a tank of gas. In his letter Sanders asked the Justice Department and Federal Trade Commission to whether or not high prices in Chittenden County were related to the fact that the four largest gas station companies in the county control 67 of the 115 filling stations, or 58 percent of the total. This link will take you to Senator Sander's letter to US AG Eric Holder and FTC Chairman Jon Liebowitz asking them to investigate this matter: http://www.sanders.senate.gov/imo/media/doc/070212-BTVGasLetter.pdf I would expect no less than our VT AG to be investigating this matter to protect VT consumers as well. I look for ward to his response.

Thank you.

Yours truly, Glenn Glasstetter 05477

Page 2

<u>12-08-1017-06181</u>2-Wendel.txt

From: Harland Wendel Sent: Monday, June 18

Monday, June 18, 2012 6:27 AM

To: Cadmin

Subject:

Gasoline pricing

To whom it may concern.

Over the past month while gasoline prices have finally started down, I've noticed what I feel is a significant price difference between Middlebury and the Burlington - Williston area. In Middlebury I can purchase gas for \$3.50 a gallon while the northern stations are typically around \$3.75. I have a hard time believing transportation is costing anyone .25 cents per gallon. I've also heard but can't confirm that gasoline prices are even cheaper yet in the Southern part of the state. You can talk about supply and demand all you want, but in my mind this is just wrong!

Regards, Hal Wendel

12-08-1018-061812-Somerset.txt

From: Sent:

Monday, June 18, 2012 9:28 AM

To:

Cadmin

Subject:

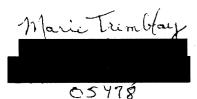
Gas prices in Chittenden County

I recently traveled to southern Vermont this weekend and on my way back to Chittenden County, it was interesting to see that gas prices are pretty consistent at around \$3.57/gallon, but once I reached Chittenden County it was about 20 cents more per gallon. Why is that? It does not cost fuel distributors 20 more cents per gallon to deliver to Chittenden County.

Please tell me why we pay more in Chittenden County, when I would think with a denser population we should be paying less that the rest of the state.

Thank you.

Chad Somerset



St. ALBANS Messenger Lett

Why don't we pay \$3.29 here?

Vermont gas: \$3.29. Yes, you read it right! Newport and Troy, Vermont have gas prices that low and many towns in the Northeast Kingdom are at about the same price. If you are asking why prices are higher in Franklin County, I was told it cost more to bring gas to Franklin County than to the Northeast Kingdom. What \$.50 cents more a gallon? The closer answer is that the Northwest Vermont gas stations are owned by two companies. If you want lower gas prices it is your time/duty to speak out about price fixing and write to: Attorney General's Consumer Protection Division, 109 State Street, Montpelier, Vt. 05609-1001. Don't forget to write and give this address to a friend to write also. Gerald Muehl



JUL 0 3 2012 Attorney General's too would like to know prices for gas? Who is looking for Franklin County + who is not you to the year company! Why don't we pay \$3.29 here? Vermont gas: \$3.29. Yes, you read it right! Newport and Troy, Vermont have gas prices that low and many towns in the Northeast Kingdom are at about the same price. If you are asking why prices are higher in Franklin County I was told it cost more to bring gas to Franklin County than to the Northeast Kingdom. What \$.50 cents more a gallon? The closer answer is that the Northwest Vermont gas stations are owned by two companies: If you want lower gas prices it is your time/duty to speak out about price fixing and write to:

'Attorney General's Consumer Projection Division, 109
State Street Montpeller, Vt. 05609 1001. Don't forget to write and this address to a friend to write also.

Attoney General's Consumer Protection Div. 109 State St. Montpelier , Vt. 05609

To whom it may concern,

I believe you should check in to finding out why the price of gasoline in Swanton, Vt. Is more than neighboring towns, such as Highgate, Vt. St. Albans, Vt. And Burlington, Vt. I don't believe that it cost more for Swanton delivery.

Thanks,

A Concerned Citizen

JUN 2 6 2012

ATTORNEY GENERAL'S OFFICE
CONSUMER DIVISION

JUL 03 2012

Attorney General's Consumer Protection Division

Re: Price fixing by Jolly and Collins gas companies

Gas prices in Franklin County are \$3.68 and it is known that Jolly owns at least 170 gas stations and unknown for Collins. In the Northeast Kingdom the gas price is as low as \$3.31 per GasBuddy, VT. In Plattsburgh, NY gas prices are as low as \$3,56 per GasBuddy, NY. It is also known that New York pays \$.52 per gallon state and federal taxes, whereas Vermont pays only \$.26 state and federal taxes. A worker stated they were told it cost more to bring gas to Franklin County than the Northeast Kingdom.

To be equal gas prices in St. Albans, VT should only be around \$3.30. NY \$3.56-\$.26 gas tax difference equals \$3.30.

What can you do about it?

Thanking you for your assistance in advance,

Gerald L. Muehl

Hall Churs

05478

JUL 0 2012

Contribini 2 Care be suppl



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Vermont Avg 3.584

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How does GasBuddy Work?

Find Gas

Save money by finding the cheapest gas near you.

Report Gas

Help others save money by reporting gas prices.

Win Gas

Get Tickets

Earn points for reporting gas prices, and use them to enter to win free gas. (Learn More)



	Vermont	USA	Trend.
Today	3.584	3.432	
Yesterday	3.594	3.444	1
One Week Ago	3.649	3.524	·
One Month Ago	3.784	3.665	Lealury 1
One Year Ago	3.741	3.587	





he. Week's Opinion Fell What type is your primary vehicle Front wheel drive C Rear wheel drive C All wheel drive C 4 wheel drive " Other / no vehicle € I don't know

Vote View results/past polls

Regula	r Gas Midgrade	Premium	Diesel Fuel	
Price	Station	Area	Thanks	
3.31	Jay Country Store 1077 VT-242 near Cross Rd	Jay	JeffDVT 5 hours ago	
* ** .	Troy Country Store 6561 VT-100 near VT-101 (Cash & credit same price)	Troy	Nutfield1 4 hours ago	
etia.	Independent 185 Exchange St near Elm	Middlebury	salty59 25 hours ago	
1.6.	Mobil 906 Hartford Ave near Hewitt St	White River Junction	gpaige02 3 hours ago	
as 5 at 6	Irving 197 Clinton St near Bridge St	Springfield	vthockeydad 4 hours ago	
e oak	Penguin Fuels 50 Clinton St near South St	Springfield	vihockeydad 4 hours ago	
es Noti.	Stewart's Shops 661 Strongs Ave & S Main St	Rutland	janski 3 hours ago	
, de e	West St Corner 377 West St & Cramton Ave	Rutland	dmach8 4 hours ago	
.527	Irving 3201 US-7 S near Ossie Rd	Middlebury	gasvtVT 1 hour ago	
	CITGO 280 Portland St & Elm St & Wright Ave	SI Johnsbury	deejay19 1 hour ago	
	Mobil 446 West St & Ripley Rd	Rulland	dmach8 4 hours ago	
	CITGO 151 West St & Ripley Rd	Rulland	dmach8 4 hours ago	
	Gulf 1167 Hartford Ave & Manning Dr	While River Junction	vlhockeydad 22 hours ago	
	Gulf 16 Court St near Mary Hogan Dr	Middlebury	brianotter 24 hours ago	
n nat	MacIntyre 213 Exchange near Feed Mill Ln	Middlebury	salty59 25 hours ago	

Add this list of current gas prices to your website

		Price	Station	Area	Thanks
a? (Discuss)		ا د د در	CITGO VT-100 near Knowles Flat Rd	Eden	hockey#14 15 hours ago
		. Wat a	River Valley Store 4495 VT-100C & Bradley Dr	Johnson	hockey#14 15 hours ago
		•	Sunoco 76 Center Rd near Sunset Dr	Essex Junction	speeddeaman 5 hours ago
•			CITGO 45 Lincoln St near Prospect St	Essex Junction	PassedGas 28 hours ago
**	1			•	bruceha2000

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New York Avg 3.614

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Chase Freedom® Visa -Gel 5% Cash Back on up to \$1,500 spent at gas stations and restaurants between 7/1/12 - 9/30/12. Click Here to Apply

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How does GasBuddy Work?

Find Gas

Save money by finding the cheapest gas near you.

Report Gas

Help others save money by reporting gas prices.

Win Gas

Get Tickets

Earn points for reporting gas prices and use them to enter to win free gas. (Learn More)

Nev	V York	USA	Trend
Today	3.614	3.434	
Yesterday	3 6 1 5	3.444	wayn.
One Week Ago	3.669	3.524	* 42.1
One Month Ago	3.877	3.665	85021010
One Year Ago	3.857	3.587	





Price Charts

Gas Price Heat Maps

ins Wesk's Opinion Perf.

What type is your primary vehicle? (Discuss)

- Front wheel drive
- (Rear wheel drive
- ! All wheel drive
- 4 wheel drive Other / no vehicle

Vote | View results/past polls

	Lowest Regular Gas Prices	s in the Last 36 I	nours
Regula	ir Gas Midgrade	Premium	Diesel Fuel
Price	Station	Area	Thanks
3.56	Buck's Discount Center 6114 NY-22 near Penny Cir	Plattsburgh	minischnauz 16 hours ago
	Mobil 495 Rugar St & Military Tpke	Plattsburgh	jnice13 5 hours ago
. 14 %	Stewart's Shops 262 Rugar St & Ampersand Dr	Plattsburgh	jnice13 5 hours ago
	Stewart's Shops 4990 S Catherine St & Pine St	Plattsburgh	jnice 13 5 hours ago
. ***	Valero 4788 Crete Blvd (NY-22) & S Peru St	Plattsburgh	jnice13 5 hours ago
10.41	Stewart's Shops 4717 US-9 near Sunset Dr	Plattsburgh	chief270 6 hours ago
age	Sunoco 5051 US Ave near New York Rd	Plattsburgh	chief270 6 hours ago
4.1	Sunoco 599 NY-3 near Hammond Ln	Plattsburgh	pooh1620 4 hours ago
	Stewart's Shops 809 NY-3 near Chantecler Ct	Plattsburgh	Inice13 5 hours ago
17	CITGO 5123 US Ave near Peru St	Plattsburgh	chief270 6 hours ago
	Sunoco 325 Margaret St & Boynton Ave	Plattsburgh	chief270 6 hours ago
process	Stewart's Shops 7137 US-9 near Moffit Rd	Plattsburgh	chief270 6 hours ago
	Mobil 4319 NY-22 near Willow Dr (Exit 36 Truck Stop - 10% Ethanol)	Plattsburgh	PbFootNY) 24 hours ago
g 1	Shell 1 Archie Bordeau Rd & NY-22 (10% Ethanol)	Plattsburgh	PbFootNY 1 24 hours ago
	Mobil 1785 Military Toke (NY-190) & Tom Miller Rd	Plattsburgh	mountainnder? 1 27 hours ago
· · · · · · ·	Shell 443 NY-3 near I-87 Overpass	Plattsburgh	mountainridei 7
	Mobil 456 NY-3 & Smithfield Blvd	Plattsburgh	mountainrider?
*	Sunoco 306 Cornelia St & Broad St	Plattsburgi	inice13
	CITGO 1544 Cumberland Head Rd near Kensington Rd	Plattsburgh	pooh1620 1 4 hours ago
	Mobil 821 NY-3 & Chantecler Ct	Plattsburg	nice13 5 hours ago
	Mobil 7155 US-9 near Plattsburgh RV	Plattsburgh	chiéf270 6 hours ago

Vt. Attorney General Consumer Protection Division 109 State St. Montpelier, VT 05609

June 27,2012

Dear Sir



JUL 03 2012

Genodiala 4. Tare Coverned

Gas is \$3.299 in the Newport - Derby VT area & \$3.499 in the Rutland area.

Gas is \$3.699 in most of Franklin County at all service stations.

It would appear that there is collusion between the major oil companies S.B. Collins, R.L.Valley & Champlain Oil to keep the price of gas so high in Franklin County.

The cost of transportation between Newport & Franklin County certainly isn't a difference of 40c per gallon.

It would seem that your office should be looking into this, as it's been going on for some time now.

abut 1

Sincerely

Robert K. Cyr

05488

(802)

Attoney General's Consumer Protection Div. 109 State St. Montpelier , Vt. 05609

To whom it may concern,

I believe you should check in to finding out why the price of gasoline in Swanton, Vt. Is more than neighboring towns, such as Highgate, Vt. St. Albans, Vt. And Burlington, Vt. I don't believe that it cost more for Swanton delivery.

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