



November 15, 2012

Attorney General Kamala Harris
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RE: Criminal Investigation Of Refiners Needed Based On Study Showing
Falsification of Public Information

Dear Ms. Harris,

We write you to launch a criminal investigation into the conduct of oil companies in California based on today's information that oil refiners were running their refineries and building inventories even when they said they were performing maintenance. It appears that California's oil refineries falsified public information to drive up the price of gasoline, an allegation that, if true, is criminal conduct and reminiscent of the Enron-like manipulation of the California energy market. This unprecedented information demands a criminal investigation.

We also our call for you to block the merger of Tesoro and BP. As we have said, a California refining market that is already concentrated and uncompetitive will become a duopoly with Chevron and Tesoro controlling 54 percent of the market if the merger goes through. Consumers will pay a heavy price at the pump.

Information we learned today only reinforces our call for blocking the merger. McCullough Research reports today that refineries in the state were making gasoline while telling the public that they weren't because of outages or maintenance. McCullough Research analyzed thousands of pages of documents and discovered refineries were operating during supposed outages and maintenance shutdowns.

McCullough says that in May, when Royal Dutch Shell's Martinez plant was supposedly down for two weeks for maintenance, it was making gasoline at least half the time. State air monitors showed nitrogen oxide emissions associated with making gasoline returned to normal at that location a whole week before the refinery reported coming back on line.

At Chevron's Richmond refinery, emissions reports suggest that the refinery never shut down, though it reported being down for two weeks in May. Supplies were actually growing in May when consumers here paid at least 50 cents more per gallon than the national average, the group said. October's huge price hike that pushed gasoline up 50 cents a gallon in the space of a week was partly blamed on Chevron's Richmond fire in August. But McCullough says that Chevron's supplies at the time were only growing.

When the state only has ten to thirteen days of gasoline supply on hand, misinformation about a week's worth of gasoline can cost the consumer \$1 per gallon or more at the pump. False information can set the commodities markets on fire. Oil companies know this well and their profits are dependent on misaligned expectation in the commodities market. We urge you take action immediately to prevent California consumers from being gouged by the same type of artificial manipulation of the energy markets that occurred during electricity deregulation. We stand ready to assist.

Many thanks,


Jamie Court



Liza Tucker