

ALASKA STATE LEGISLATURE

Session

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Resources Committee

State Affairs Committee

Joint Armed Services Committee

Judiciary Committee

Senator.Bill.Wielechowski@akleg.gov

SENATOR BILL WIELECHOWSKI

January 12, 2016

Attorney General Craig Richards
Alaska Department of Law
310 K Street, Suite 403
Anchorage, AK 99501

Dear Attorney General Richards,

As you know, I have followed the issue of gas prices in Alaska for many years. I've filed legislation almost every year I've been in office to put strong price gouging language into statute that would protect Alaskans from the monopolistic gas market that exists in our state.

Today, I ask that your office investigate the recent sale of the Flint Hills gas storage facilities in Anchorage to Tesoro. The already delicately balanced retail gas market in Alaska will be dominated by one company should this sale be approved, keeping further competition from the state and hiking prices for customers.

Most recently, I called on your office and the Governor to reexamine the Alaska retail gas market and provide an explanation to Alaskans as to why our prices are so often the highest in the nation. That request, made on September 9th, was concurrent with a drop in gas prices across Anchorage that lasted for some weeks until the end of December.

Anchorage customers are seeing the price at the pump rise once again. With the sale of Flint Hills Anchorage gas storage facilities to Tesoro, I fear that the need for an update to the 2008 report on gas prices in Alaska is now further warranted along with a full investigation into the sale itself.

One of the many conclusions of the 2008 report was that Alaska has an accepted oligopoly: because of our limited economies of scale, a certain amount of competition must be sacrificed in order to ensure necessary services are delivered to Alaskans. The flip side to that, though, is that we must be vigilant against complete monopolies, as the one proposed here, that give one company total control over the price of gas across the state.

I urge you to thoroughly investigate the anti-trust implications of Tesoro acquiring Flint Hills' gas storage facilities in Anchorage and update the 2008 Alaska Attorney General's Report on the gas

market in the state and share your findings with Alaskans who will ultimately pay the price at the pump.

Sincerely,

A handwritten signature in blue ink that reads "Bill Wielechowski". The signature is written in a cursive style with a small dot above the 'i' in "Wielechowski".

Senator Bill Wielechowski

CC: Governor Bill Walker, State of Alaska