STATE OF CONNECTICUT

NEWS RELEASE

Attorney General Richard Blumenthal

Department of Consumer Protection
Commissioner Edwin R. Rodriguez

MONDAY, MARCH 13, 2006

ATTORNEY GENERAL, DCP COMMISSIONER ANNOUNCE FIRST ROUND OF PRICE GOUGING SETTLEMENTS WITH GASOLINE RETAILERS

Attorney General Richard Blumenthal and Department of Consumer Protection (DCP) Commissioner Edwin R. Rodriguez today announced settlements with four gasoline retailers – potentially the first of several gasoline price gouging cases.

Four gasoline retailers have agreed to make excess profit payments to the state and to comply with laws prohibiting unconscionably excessive prices during abnormal market disruptions – or anticipated disruptions. The retailers, denying wrongdoing, agreed to the settlements after Blumenthal and Rodriguez found evidence of price gouging during the abnormal market conditions related to Hurricane Katrina.

Blue Hills Getty in Bloomfield has agreed to pay $1,591; Opal Ventures V, LLC, doing business as Mobil of Newington has agreed to pay $5,000; New Milford Hess, LLC of New Milford has agreed to pay $1,800; and Huntington Gulf of Shelton has agreed to pay $4,300.

Blumenthal and Rodriguez had alleged that around Aug. 29, 2005, and continuing for several weeks, the gasoline retailers raised gasoline prices during the abnormal market conditions resulting from Hurricane Katrina. The prices were inflated beyond those attributable additional costs to the retailers – providing excessive profits.

"More than money, what matters is the loud alarm to the industry," Blumenthal said. "Consider this round one – only the first wave of several possible settlements and legal actions that should send the message that excessive profit taking during market crisis is unacceptable. My office will take appropriate action to impose accountability at every level – from small retailers to big oil companies."

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“The prices charged by these retailers went above and beyond the forces of supply, demand and capacity; they added greed to the mix,” Rodriguez said. “Exploitation of the gasoline supply disruption caused by the Gulf Hurricanes is a prohibited practice. My department will continue to investigate consumer complaints, ensuring that Connecticut consumers are not unfairly charged.”

Under the settlements, the gasoline retailers have agreed to comply with Public Act No. 05-02, Section 10, which provides:

(b) No seller during any period of abnormal market disruption or during any period in which an imminent abnormal market disruption is reasonably anticipated shall sell or offer to sell an energy resource for an amount that represents an unconscionably excessive price.

(c) Evidence that (1) the amount charged represents a gross disparity between the price of an energy resource that was the subject of the transaction and the price at which such energy resource was sold or offered for sale by the seller in the usual course of business immediately prior to (A) the onset of an abnormal market disruption, or (B) any period in which an imminent abnormal market disruption is reasonably anticipated, and (2) the amount charged by the seller was not attributable to additional costs incurred by the seller in connection with the sale of such product, shall constitute prima facie evidence that a price is unconscionably excessive.

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