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February 21, 2008

The Honorable Guy F. Caruso
Administrator
Energy Information Administration
1000 Independence Ave, SW
Washington, DC 20585

Dear Mr. Caruso:

We are writing today in reference to an article that appeared in the Wall Street Journal on February 11, 2008, entitled "*Refiner Cutbacks May Not Be Felt at Pumps*." This article asserts that U.S. refiners are deliberately cutting back on production in order to combat the decrease in demand brought about by high gasoline prices.

In pertinent part, the article states the following:

> "Refiners over the past month have scaled back production rates to 84.3% of their capacity, the lowest level recorded for this time of year since 2003, according to data released Wednesday by the U.S. Energy Information Administration. Since the beginning of the year, operating rates dropped by 8%, compared to an average 4% decline during each of the past five years.
>
> "The market conditions last year provided the incentive to run [refineries] as high as you could," says Lynn Westfall, chief economist for refiner Tesoro Corp. But the market 'is not there currently'..."

As you know, the issue of U.S. refinery capacity has been at the forefront of our deliberations on energy policy for a number of years and has proven to be one of the more controversial and vexing topics we have explored. This article raises a number of questions that we would appreciate EIA's assistance in answering.

Specifically:

1. To what extent is reduced capacity utilization during January and February 2008 attributable to (a) scheduled outages (turnarounds), (b) unscheduled outages (from accidents) or (c) deliberate decisions to reduce refinery throughput?

2. Which specific refineries are intentionally cutting back refinery capacity and by what percentage?

3. Will these cutbacks in refinery output raise wholesale and retail prices for gasoline, diesel, and heating oil?

4. Is there demand reduction with respect to refined products due to high oil prices? Has demand for gasoline, diesel, and heating oil dropped proportionately to the decrease in refinery output?

5. How much storage capacity is there for refined products and what percentage of storage capacity is actually used? How does this compare historically at this time of year for the past five years?

6. Did refined inventories drop while refinery output was being cut back during these two months?

7. What percentage of domestic consumption is represented by imports during the months of January and February? How does this compare with the previous 5 years?

We would appreciate your responses to these questions by no later than Monday, March 31, 2008. Thank you for your consideration. If you have any questions, please contact Bruce Harris or Richard Miller with the Committee on Energy and Commerce staff at (202) 225-2927.

Sincerely,

Bart Stupak

John D. Dingell
Chairman

Bart Stupak
Chairman
Subcommittee on Oversight and Investigations

cc: The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable John Shimkus, Ranking Member
Subcommittee on Oversight and Investigations