



February 5, 2003

Senator Kerry  
One Bowdoin Square, 10<sup>th</sup> Floor  
Boston, MA 02114

Dear Senator Kerry:

As the Executive Director of the Massachusetts Energy Consumers Alliance, I write with growing concern that the current home heating oil supply in Massachusetts may ultimately prove inadequate, resulting in significant spikes in cost to Massachusetts residents similar to the crisis we faced three years ago. Hopefully we will dodge a bullet this month, but I believe that it is important that you review the data that I have seen.

With Venezuela on the sidelines for the last couple of months, demand for heating oil has exceeded supply, drawing down on stocks. Last week set a record for distillate fuel consumption (meaning heating oil, diesel fuel, and petroleum for power plants). According to the Energy Information Administration, heating oil stocks in New England are comparably low as they were three years ago when heating oil prices averaged over \$2.00 per gallon, causing President Clinton to send Bill Richardson to Faneuil Hall for the Northeast Heating Oil Summit. Today, as I was then, I am not concerned so much about price as I am about availability.

Thankfully, in 2000, President Clinton and Congress wisely took action in creating the Northeast Heating Oil Reserve. I respectfully ask that you and your colleagues in the Massachusetts delegation prepare to advocate for the release of this oil.

I also encourage you to communicate with federal agencies having jurisdiction over various parts of the supply chain, such as DOE, DOT, and the Coast Guard. I hope it will be unnecessary, but we should also be ready to involve the Federal Trade Commission. In times such as these, it is Mass Energy's position that refiners and wholesalers have the opportunity to exercise market power.

As always, thank you for your tremendous work on behalf of the residents of Massachusetts. If I can be of any assistance or answer any questions please feel free to contact me.

Sincerely,

Larry Chretien  
Executive Director  
Massachusetts Energy Consumers Alliance