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Gas Prices in Idaho

What factors determine the price of gas in Idaho?

There are a variety of components that make up the price of a gallon of gas, each operating independently on the gas you buy at the pump. [Click here](#) to see what makes up the price of a gallon of gas in Idaho. The components in the chart are discussed below.

No. 1: The Cost of Crude Oil. The cost of crude oil is the primary factor that determines the price of gas. Crude oil prices are determined by *supply and demand* and on a global basis. Thus, on the *demand* side, world economic growth is the biggest factor. World economic growth fuels more demand for crude oil, which, all things being equal, causes the price for the product to increase.

The *supply* side for crude oil is also global. The major players here are OPEC, the United States' resurgent crude oil production, and Russia, each of which influence supply by limiting or increasing production. As crude oil supply increases, again all things being equal, this will cause prices for the product to go down. Increased oil production in the United States, as a result of fracking, combined with high production levels overseas, work together to drive the price of crude oil downward. Price declines like those seen at the end of 2014 are caused when global supply outpaces global demand for the product. This is because supply has increased more quickly than demand for the product.

No. 2: Tax Rates. Tax and fee rates collectively come to about \$.51 per gallon in Idaho. Federal excise taxes currently are 18.4¢ per gallon, and Idaho's excise taxes are **32¢ per gallon** (*effective July 1, 2015*). (There is also a transfer fee of **1¢ per gallon** to the Idaho Petroleum Clean Water Trust Fund.) These tax revenues are used to build new roads and maintain existing ones. Each state taxes gas differently and in different amounts. If you back out the gas taxes for a state, it is easier to then compare the price of gas in Idaho to other states. [Click here](#) to see how the price of gas in Idaho compares with other states.

No. 3: Refining Costs & Profits. Another significant factor in determining the price of gas in Idaho is the refining costs and profits. The *type of gas produced* depends on the type of crude oil used and the type of processing technology available at the refinery. Blending in *other ingredients*, like ethanol, also affects the price.

One barrel of crude oil—about 42 gallons—does not produce just gas, but also a number of other products. In fact, about only half a barrel of crude goes toward finished motor gasoline. [Click here](#) to see what a barrel of crude produces by way of gas and other oil-based products.

No. 4: Distribution. Distribution is the fourth factor. Southern Idaho’s gas flows through a single pipeline from Salt Lake City refineries. With *one limited gas resource*, supply in southern Idaho cannot respond as rapidly when demand increases, at least as compared to areas with multiple refineries and pipelines. Northern Idaho is serviced by pipelines from Montana and Washington and product barged up the Columbia River.

No. 5: Retailer Costs & Profits. Finally, retailer costs and profits affect the price of gas. The price at the pump includes the retailer’s cost to buy the gas and the costs of operating the station. Some outlets are operated by refiners, but others are independent stores that buy gas from refiners. Their costs include *wages, benefits, equipment, and taxes*. Outlets also must pay credit card transaction fees each time a driver swipes a card at the pump. If there is not vigorous competition at the retail level, it is not unusual to see gasoline retailers charge higher margins. These margins can vary from the very large—over \$.60 per gallon—to zero, and often explain why prices in a specific location are higher (or lower) than in a different location. The differences by year and by location can differ greatly.

While gas prices are made up of different components, they are interrelated. [Click here](#) to see how the price of crude, refining and the marketing of gas track each other.

Of course, how gas is priced does not answer the question of what the Attorney General can do about high gas prices.

What authority does the Attorney General’s Office have to regulate gas prices?

Neither the Attorney General, nor any other state entity for that matter, has authority to set or otherwise determine the appropriate price for a gallon of gas. Instead it is current state policy to let the marketplace, and not the government, determine the price of gas. Idaho law allows the Attorney General authority to intervene in situations where he has reason to believe that retailers (or others) are engaged in (1) **“price fixing”** or (2) **“price gouging.”**

Price Fixing: Occurs when *gas stations* conspire to keep the gas price at a *certain amount*. To open a price fixing investigation, the Attorney General needs evidence showing that *retailers worked or are working together to inflate their prices*. We cannot simply claim that two gas stations are charging the same high price. *High prices are not illegal*. *Also, the mere fact that two competitors’ prices are the same is not, in and of itself, evidence of price fixing.*

Price Gouging: Occurs when, during a *state of emergency*, retailers charge an exorbitant or *excessive price without reason*. To prove a case of price gouging, certain conditions must be evaluated:

- a. The Governor or President must *declare a disaster* or state of emergency.
- b. After the declaration, the *price* of gas must *increase substantially*.
- c. Whether the suspect incurred *additional business costs* because of the emergency.
- d. The duration of the disaster or emergency.

Does the Attorney General have any tips to help consumers at the pump?

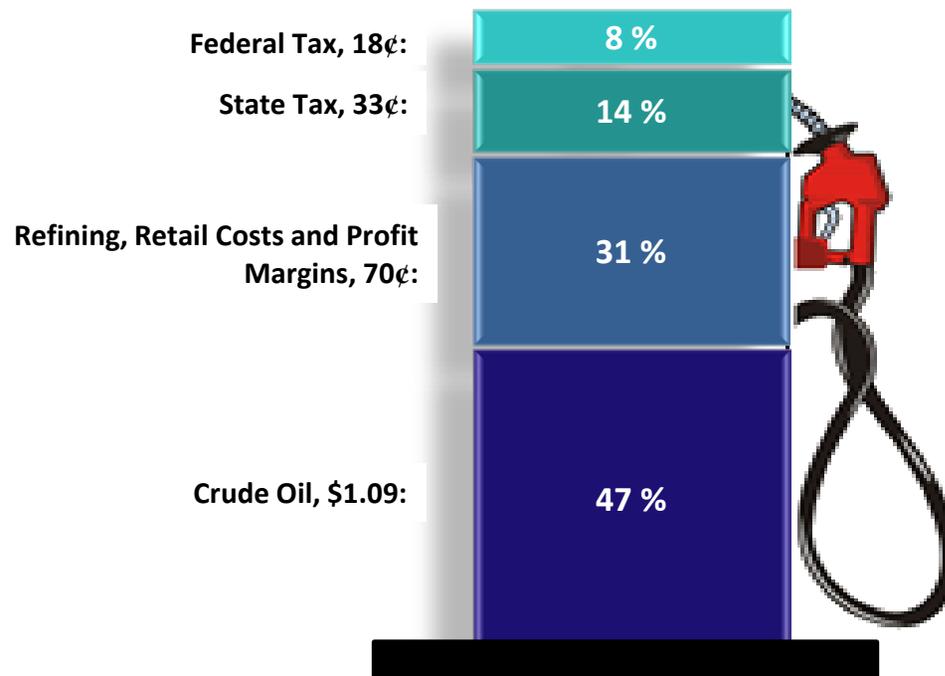
Idaho consumers have little sway over crude oil prices, but they can have an impact at the pump. Consumers can take their business to the retailer whose gas prices are the lowest. This might require consumers to drive by the closest station, but unless and until consumers do this, the higher-priced retailer will have little incentive to drop his price and decrease his margins. Similarly if fewer people buy a refiner's product, this will put pressure on the refiner to drop its price.

Consumers can also improve the fuel efficiency of their vehicles. They can get their car checked over for any gas-guzzling problems and start driving more fuel-efficiently. The faster you drive, the faster the gas leaves your tank, and the faster your money disappears from your wallet. *Low tires, dirty air filters, open windows, air conditioning, stop/starting, and heavy loads* also decrease fuel efficiency.

Gas Prices in the State of Idaho

What the Average Gallon of Gas Cost in November 2016 *

Price Components of Idaho Retail Price
The Month of November 2016 - Average \$2.30 Per Gallon *



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* Data only available through November 2016.

*Source, U.S. Energy Information Administration (EIA):

- http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm
- http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMOU_PTE_R40_DPG&f=M

* Average Monthly Percentages Rounded to the Nearest Cent.

Comparison of State Gas Prices as of November 30, 2016

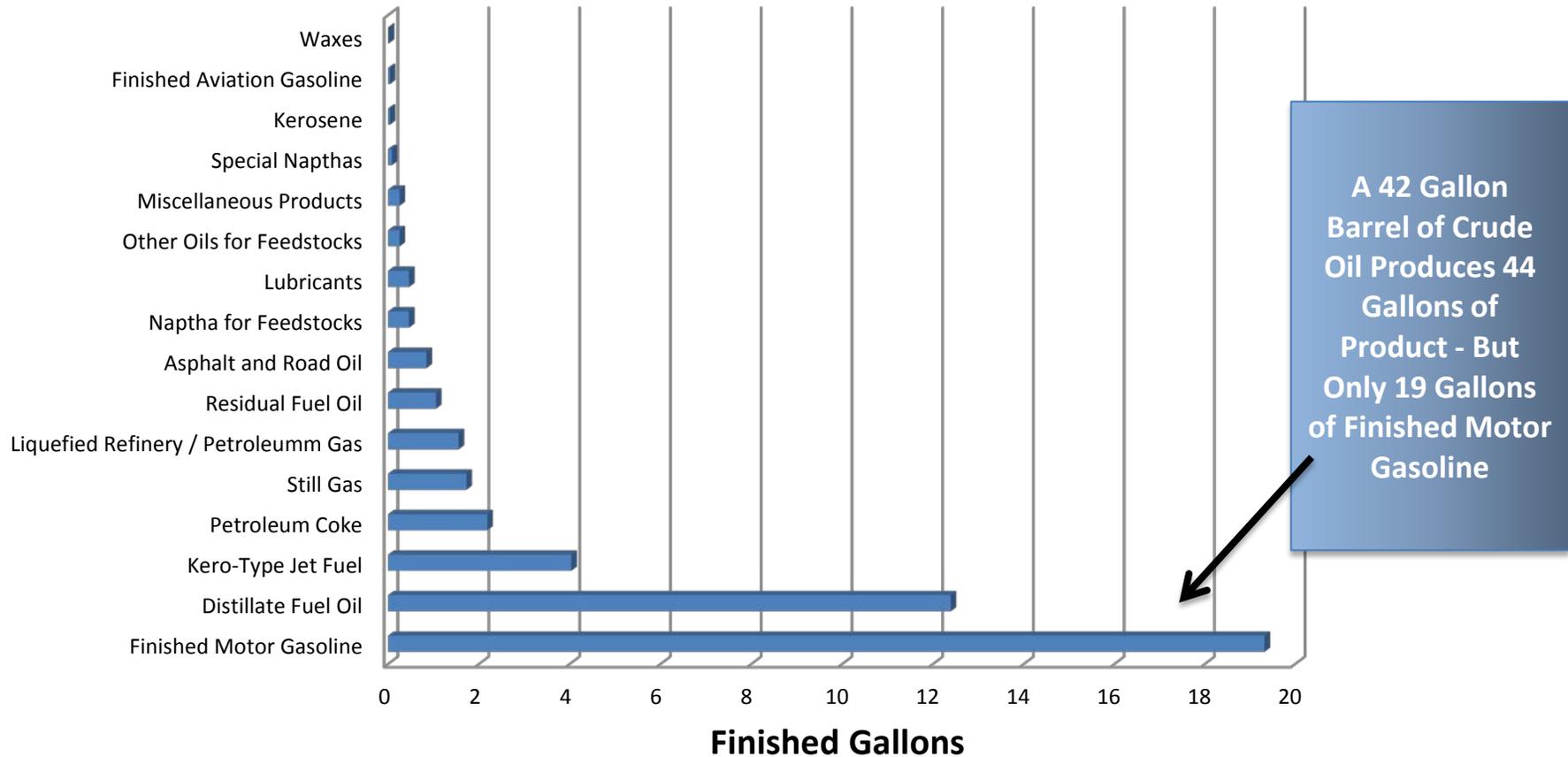
Pre-Tax Gas Price Ranking	State	Avg Pump Price per Gal Unleaded Regular as of 11/30/16	State Fuel Tax (per Gallon)	Pre-State Tax Price (Avg Price Minus State Tax)	Pump Price Ranking	State	Avg Pump Price per Gal Unleaded Regular as of 11/30/16
1	Alaska	\$2.60	\$ 0.122	\$ 2.473	1	Hawaii	\$2.84
2	Hawaii	\$2.84	\$ 0.436	\$ 2.405	2	California	\$2.66
3	California	\$2.66	\$ 0.381	\$ 2.277	3	Washington	\$2.60
4	Washington	\$2.60	\$ 0.494	\$ 2.102	4	Alaska	\$2.60
5	Oregon	\$2.41	\$ 0.311	\$ 2.099	5	Nevada	\$2.43
6	Nevada	\$2.43	\$ 0.335	\$ 2.095	6	Oregon	\$2.41
7	New Jersey	\$2.21	\$ 0.145	\$ 2.067	7	New York	\$2.36
8	Idaho	\$2.32	\$ 0.330	\$ 1.991	8	Pennsylvania	\$2.36
9	Utah	\$2.26	\$ 0.294	\$ 1.965	9	Idaho	\$2.32
10	Vermont	\$2.24	\$ 0.304	\$ 1.939	10	Connecticut	\$2.29
11	New York	\$2.36	\$ 0.430	\$ 1.932	11	Utah	\$2.26
12	Maine	\$2.23	\$ 0.300	\$ 1.929	12	Vermont	\$2.24
13	Arizona	\$2.12	\$ 0.190	\$ 1.925	13	Maine	\$2.23
14	Montana	\$2.19	\$ 0.277	\$ 1.917	14	Michigan	\$2.22
15	Ohio	\$2.19	\$ 0.280	\$ 1.910	15	West Virginia	\$2.22
16	Connecticut	\$2.29	\$ 0.383	\$ 1.908	16	New Jersey	\$2.21
17	Delaware	\$2.14	\$ 0.230	\$ 1.906	17	Rhode Island	\$2.20
18	Massachusetts	\$2.17	\$ 0.265	\$ 1.902	18	Montana	\$2.19
19	New Hampshire	\$2.14	\$ 0.238	\$ 1.901	19	Illinois	\$2.19
20	Michigan	\$2.22	\$ 0.324	\$ 1.900	20	Ohio	\$2.19
21	West Virginia	\$2.22	\$ 0.332	\$ 1.884	21	Maryland	\$2.19
22	Kentucky	\$2.14	\$ 0.260	\$ 1.884	22	Indiana	\$2.17
23	Illinois	\$2.19	\$ 0.327	\$ 1.864	23	Massachusetts	\$2.17
24	New Mexico	\$2.05	\$ 0.188	\$ 1.863	24	South Dakota	\$2.15
25	Rhode Island	\$2.20	\$ 0.340	\$ 1.855	25	Kentucky	\$2.14
26	North Dakota	\$2.08	\$ 0.230	\$ 1.853	26	New Hampshire	\$2.14
27	Maryland	\$2.19	\$ 0.335	\$ 1.851	27	Delaware	\$2.14
28	Indiana	\$2.17	\$ 0.321	\$ 1.849	28	Florida	\$2.13
29	South Dakota	\$2.15	\$ 0.300	\$ 1.848	29	Arizona	\$2.12
30	Pennsylvania	\$2.36	\$ 0.514	\$ 1.842	30	North Carolina	\$2.09
31	Wyoming	\$2.08	\$ 0.240	\$ 1.837	31	Georgia	\$2.09
32	Colorado	\$2.04	\$ 0.220	\$ 1.820	32	North Dakota	\$2.08
33	Nebraska	\$2.08	\$ 0.267	\$ 1.815	33	Nebraska	\$2.08
34	South Carolina	\$1.95	\$ 0.167	\$ 1.781	34	Wyoming	\$2.08
35	Louisiana	\$1.98	\$ 0.200	\$ 1.775	35	Iowa	\$2.07
36	Georgia	\$2.09	\$ 0.311	\$ 1.775	36	Wisconsin	\$2.07
37	Virginia	\$1.99	\$ 0.223	\$ 1.770	37	New Mexico	\$2.05
38	Florida	\$2.13	\$ 0.365	\$ 1.763	38	Colorado	\$2.04
39	Mississippi	\$1.95	\$ 0.187	\$ 1.759	39	Virginia	\$1.99
40	Iowa	\$2.07	\$ 0.317	\$ 1.751	40	Minnesota	\$1.99
41	North Carolina	\$2.09	\$ 0.342	\$ 1.746	41	Louisiana	\$1.98
42	Tennessee	\$1.96	\$ 0.214	\$ 1.743	42	Tennessee	\$1.96
43	Oklahoma	\$1.91	\$ 0.170	\$ 1.741	43	Kansas	\$1.95
44	Wisconsin	\$2.07	\$ 0.329	\$ 1.739	44	South Carolina	\$1.95
45	Alabama	\$1.95	\$ 0.209	\$ 1.737	45	Alabama	\$1.95
46	Missouri	\$1.89	\$ 0.173	\$ 1.721	46	Mississippi	\$1.95
47	Texas	\$1.92	\$ 0.200	\$ 1.719	47	Texas	\$1.92
48	Kansas	\$1.95	\$ 0.240	\$ 1.711	48	Arkansas	\$1.91
49	Minnesota	\$1.99	\$ 0.286	\$ 1.705	49	Oklahoma	\$1.91
50	Arkansas	\$1.91	\$ 0.218	\$ 1.696	50	Missouri	\$1.89

Additional Notes: The source for the listed tax information is the American Petroleum Institute, <http://www.api.org/oil-and-natural-gas-overview/industry-economics/fuel-taxes>. The tax information is current as of October 1, 2016. The source for the listed average pump price for unleaded regular is AAA, <http://www.fuelgaugereport.aaa.com/todays-gas-prices/>. The fuel price information is current as of November 30, 2016. The pre-state tax price includes a federal gasoline excise tax of \$0.184 per gallon. VST=Variable Sales Tax.

Gas Prices in the State of Idaho

Refined Crude Oil

Produces Many Products



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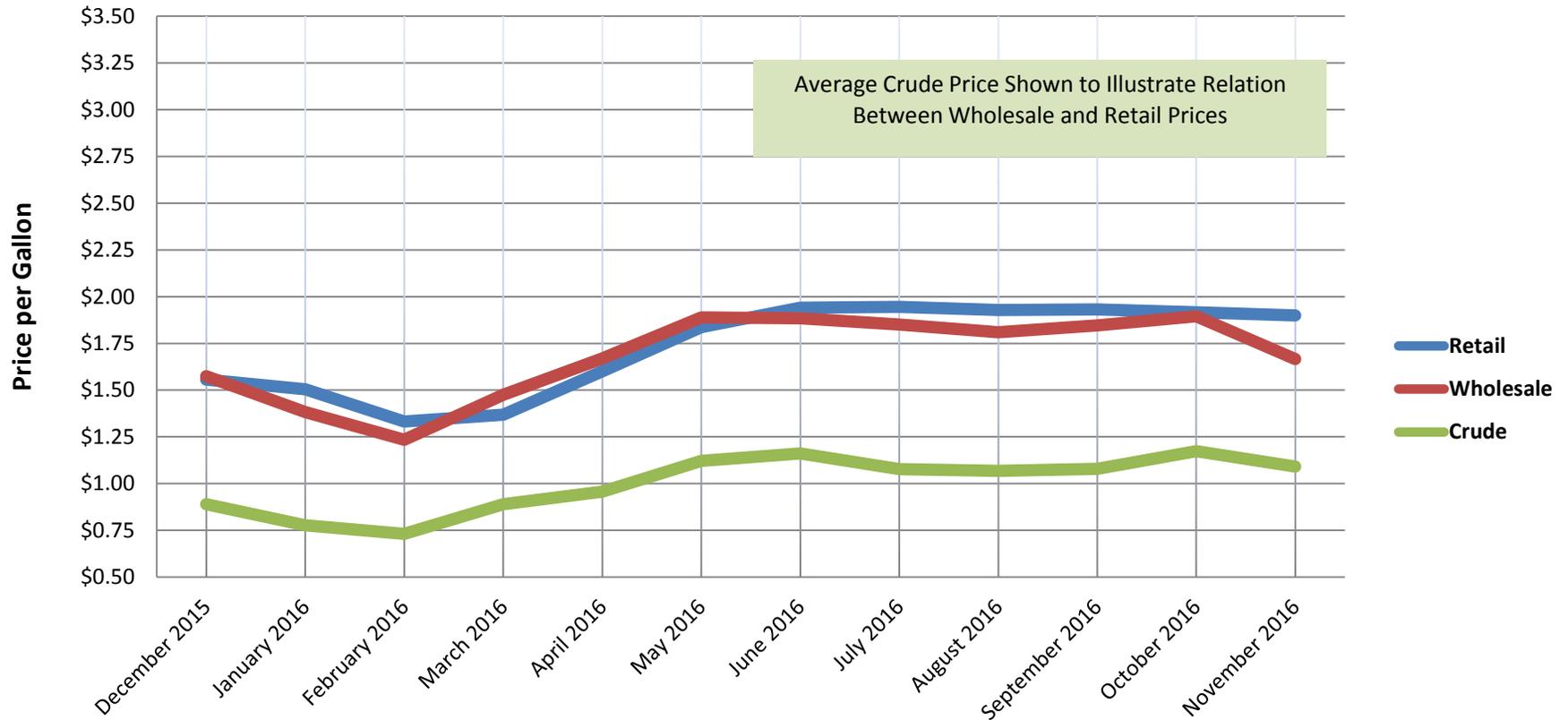
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Source: U.S. Energy Information Administration (EIA),
http://www.eia.gov/energyexplained/index.cfm?page=oil_refining#tab3

Gas Prices in the State of Idaho

Wholesale and Retail Prices*

Idaho State Average - All Formulations: December 2015 - November 2016



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- * Source: U.S. Energy Information Administration (EIA), Crude: <http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&x=rwtc&f=m>
- * Source: Oil Price Information Service (OPIS)
- * Prices rounded to the nearest cent.
- * Retail prices do not include taxes.
- * Crude price converted from price per barrel to price per gallon (42:1).