

**STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL**

**Report on Motor Fuel Prices in Idaho  
Consumer Protection Division**



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## **Introduction**

Retail motor fuel prices throughout the United States, including Idaho, have increased to record levels. The average price for regular unleaded grade gasoline in the United States and Idaho have reached an all time high, passing the \$4 per gallon threshold. As of yesterday, the average price of regular unleaded in Idaho was \$4.07 a gallon. Diesel's average price is \$4.80. This compares to last year at this time where the average gas price in Idaho was \$3.17 and the average diesel price was \$2.94.<sup>1</sup>

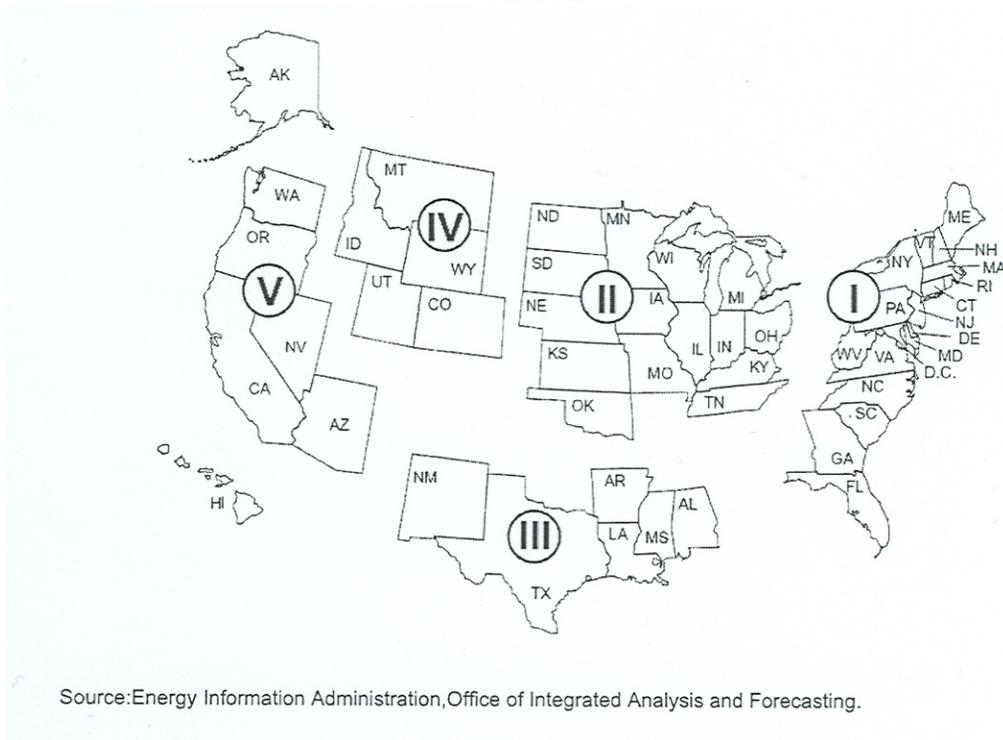
I will talk today about motor fuel prices in general terms as I understand the market and then discuss Idaho law. I will then be glad to stand for questions.

In preparation for this presentation, I relied upon The Report on Post-Hurricane Katrina Gasoline Prices in Idaho, prepared by this office just two years ago. This comprehensive 66-page report is available online at the Attorney General's website.

## **Idaho Gasoline and Diesel Market**

For statistical purposes, the federal government places Idaho into a grouping of states called PADD IV. "PADD" stands for Petroleum Administration for Defense District. During World War II, the federal government divided the nation into five PADDs to facilitate fuel distribution and rationing. The designations were retained following World War II, and are now used by federal agencies for the purpose of reporting comparative petroleum-related statistics. Chart 1, next page, shows the five PADDs.

**Chart 1**



Though the PADD IV states have much in common geographically, Idaho differs from the others in a major respect when it comes to petroleum. Montana, Wyoming, Utah, and Colorado all have proven crude oil reserves, all produce crude oil, and all refine crude oil.<sup>2</sup> Idaho, however, has no proven crude oil reserves, produces no crude oil, and has no refineries, so it is dependent upon imported fuel supplies from other states.<sup>3</sup>

Montana has four refineries, Wyoming five, Utah five, and Colorado two.<sup>4</sup> In 2006, Montana, Wyoming, Utah, and Colorado together produced about 327,000 barrels of crude oil per day; but these states augmented their supplies for refining by importing more than 300,000 barrels of crude oil per day from Canada.<sup>5</sup> That augmentation continues today. Indeed, imports from Canada have increased significantly since 2000.<sup>6</sup>

According to the Idaho State Tax Commission, fuel consumption in Idaho for 2007 was approximately 3.4 million gallons per day.<sup>7</sup> This fuel consumption was made up of approximately 1.8 million gallons per day of gasoline; 814,506 gallons per day of on-road diesel; 676,168 gallons per day of off-road diesel; and 104,963 gallons per day of aviation fuel.<sup>8</sup>

Overall consumption in 2007 increased 7.9 percent over consumption in 2006.<sup>9</sup> By type of fuel, the 2007 percentage increases were 1.2 percent for gasoline, 7.3 percent for on-road diesel, a whopping 31.9 percent for off-road diesel, and 6.3 percent for aviation fuel.<sup>10</sup> Idaho is one of the nation's smaller fuel markets, constituting just .4% (4/10's of one percent) of the nation's total petroleum consumption.<sup>11</sup>

Petroleum industry sources estimate that Utah's five refineries collectively supply 70 percent of the gasoline and diesel consumed in Utah and Idaho.<sup>12</sup> In 2006, Utah's total refining capacity is slightly less than one percent of nationwide refinery capacity and 28 percent of refinery capacity in the Rocky Mountains.<sup>13</sup> Utah's crude oil production is declining and crude oil produced in Utah cannot meet the state's refinery demand.<sup>14</sup> Consequently, Utah has to augment its crude oil supplies with imports from other locations.<sup>15</sup> Utah also imports refined fuel from other states, primarily from Wyoming through Pioneer Pipeline Company's Pioneer Pipeline.<sup>16</sup> The Pioneer Pipeline is jointly owned by ConocoPhillips and Sinclair Oil.<sup>17</sup> The Pioneer Pipeline connects to the Pioneer Productions Terminal in Salt Lake City.<sup>18</sup> That terminal connects to Chevron Pipe Line Company's Salt Lake Products Pipeline System.<sup>19</sup> Chevron's Salt Lake Products Pipeline System originates in Salt Lake City and has the capacity to receive gasoline and diesel from Utah's five refineries and from the connecting pipeline terminal.<sup>20</sup> Fuel brought into Idaho from Utah primarily makes its way into the state through the Chevron Pipeline.<sup>21</sup>

Chevron has two 8-inch diameter lines that run north from Salt Lake City toward Burley. One is a distillate/gasoline line and the other is a gasoline line. Near Burley, the main lines meet a lateral connecting line that runs to storage terminals located in Pocatello. The lateral line connects to both the distillate and gasoline lines and the lateral line's use is cycled between the two fuels for delivery to Pocatello.<sup>22</sup>

After meeting the lateral connecting line, the main lines continue toward Burley before moving toward Boise. Fuel from both the distillate and gasoline lines is delivered to connecting terminals in Burley. As the pipelines continue along, fuel is delivered from the distillate line to

Mountain Home Air Force Base and to Gowen Field. Fuel from the two lines is also delivered to storage terminals in Boise. From Boise, the pipeline system continues to Pasco, Washington but it goes through a series of changes along the way. Eventually, only a 6-inch diameter distillate/gasoline line is in service as the line reaches Pasco. Fuel is delivered to storage facilities in Pasco. A single 8-inch diameter line runs from Pasco to Spokane, Washington. Fuel is delivered to Fairchild Air Force Base in Spokane and to storage terminals at Spokane.<sup>23</sup>

The length of the pipeline system from Salt Lake City to Spokane is 705.6 miles. System capacity from Salt Lake City to Boise is between 66,000 and 74,400 barrels. Since one barrel equals 42 gallons, this means that its capacity in terms of gallons of motor fuel is between 2,772,000 and 3,124,800 gallons per day. System capacity averages 13,800 barrels per day from Boise to Pasco. Capacity is 16,800 barrels per day from Pasco to Spokane.<sup>24</sup> Our office has been advised that the Chevron pipeline operates at or near maximum capacity throughout the year.

Movement of product through the pipeline is slow. For instance, it takes about 66 hours on average for fuel transported in the gasoline line to get from Salt Lake City to Boise and it takes about 89.5 hours on average for the fuel in the distillate/gasoline line to make the same trip.<sup>25</sup>

The Chevron Pipeline is operated as a common carrier, meaning that its pipeline has to be made available to any company that wants to ship refined fuel on it.<sup>26</sup> As a common carrier, Chevron Pipeline Company's pipeline rates are regulated by the Federal Energy Regulatory Commission.<sup>27</sup> Pipeline transportation rates, however, account for only a few cents of the ultimate retail price of gasoline. For example, based on the Chevron pipeline tariff effective July 1, 2005 for the Salt Lake Products Pipeline System, the per gallon cost of transporting gasoline via the pipeline to storage terminals in Burley, Pocatello, and Boise from Salt Lake City was approximately 1.64 cents, 1.78 cents, and 2.6 cents per gallon respectively.<sup>28</sup> The pipeline tariff to Pasco, Washington was the equivalent of approximately 3.22 cents per gallon.<sup>29</sup> And the

incremental cost of shipment along the pipeline from Pasco to Spokane was slightly more than 7/10ths of a cent per gallon.<sup>30</sup>

South Idaho and North Idaho differ in their sources of fuel supply and in the transportation infrastructure related to delivery of that supply. Though the Chevron pipeline runs from Salt Lake City to Spokane, North Idaho does have sources of supply independent of that pipeline and Utah's refineries.

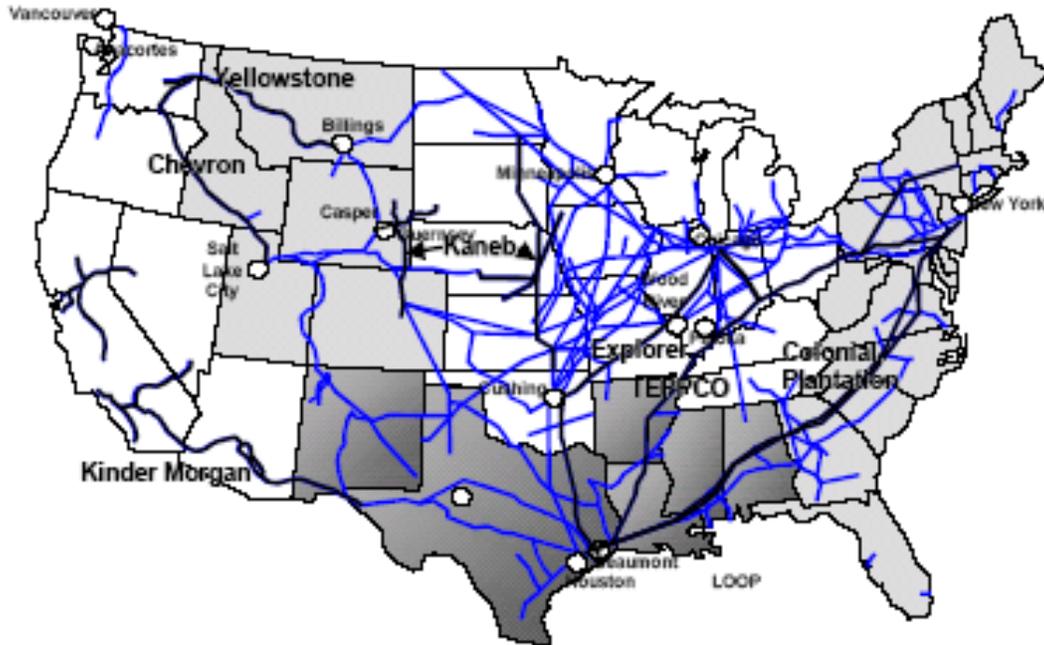
Some of North Idaho's gasoline and diesel supplies originate from refineries in Billings, Montana and is largely transported from those refineries to terminals in Spokane, Washington via the Yellowstone Pipeline system, which is operated by ConocoPhillips Pipe Line Company as part of a joint venture with Yellowstone Pipeline Company.<sup>31</sup> The Yellowstone Pipeline system is 725-miles long.<sup>32</sup> It is a 10-inch diameter pipeline and has a capacity of 64,000 barrels per day.<sup>33</sup>

Some of North Idaho's supply comes through Washington's petroleum infrastructure. Fuel refined by refineries along the Puget Sound is transported to Portland, Oregon/Vancouver, Washington via the Olympic Pipeline, a north-south pipeline running from refineries along the Puget Sound.<sup>34</sup> It is then loaded on barges and barged up the Columbia River-Snake River System.<sup>35</sup> Along that system, there are fuel storage terminals for refined petroleum products near Pasco, Washington and at Wilma, Washington, which is near the twin cities of Clarkston, Washington and Lewiston, Idaho.<sup>36</sup> There also is a terminal on the Oregon side of the Columbia River at Umatilla which can handle diesel fuel.<sup>37</sup> Besides being served by water, the terminal at Pasco is also served by the Burlington Northern Santa Fe Railroad and the Chevron Salt Lakes Product Pipeline System.<sup>38</sup> As noted previously, once the Chevron Pipeline reaches Pasco, it continues on to Spokane.

Chart 2 is a map showing the major refined product pipelines in the United States. The map illustrates the routes of the Chevron Pipeline and the Yellowstone Pipeline and also illustrates the comparative sparseness of pipeline infrastructure in the West compared to other areas of the country.

Chart 2

## Major Refined Product Pipelines

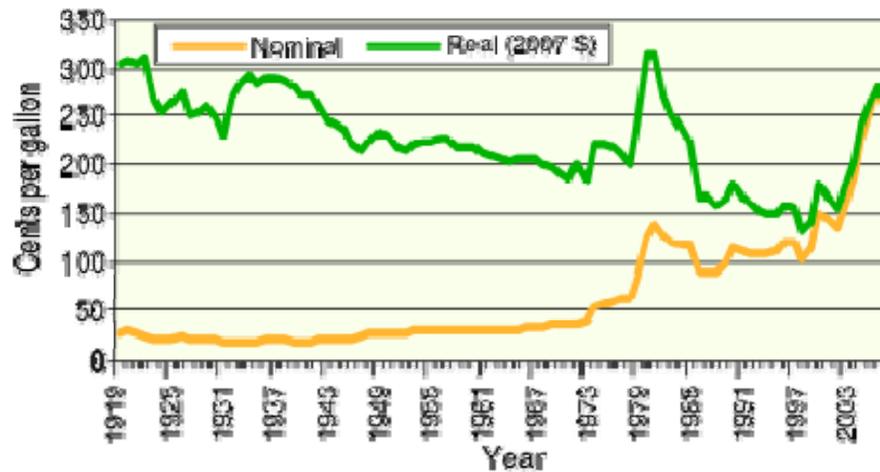


Source: Allegro Energy Group (2001)

### Gasoline and Diesel Prices

How do gasoline prices in 2007 compare with historical prices? There are two ways to compare recent prices with historical prices. One is to compare the price actually paid at the pump or the “nominal” price. The other is to compare the “real” price, which is the price adjusted for inflation, so that prices in the past are in “today’s” dollar value. The figure below in Chart 3 shows the average annual nominal and real prices of regular gasoline from 1919 to 2008, where the real price is based on the value of the dollar in 2007. During that period, consumers paid the highest prices for gasoline in real terms in the early 1920’s and 1980’s. Since then, with gas prices now over \$4 per gallon, we are paying the most in real dollars in our history of gasoline consumption.

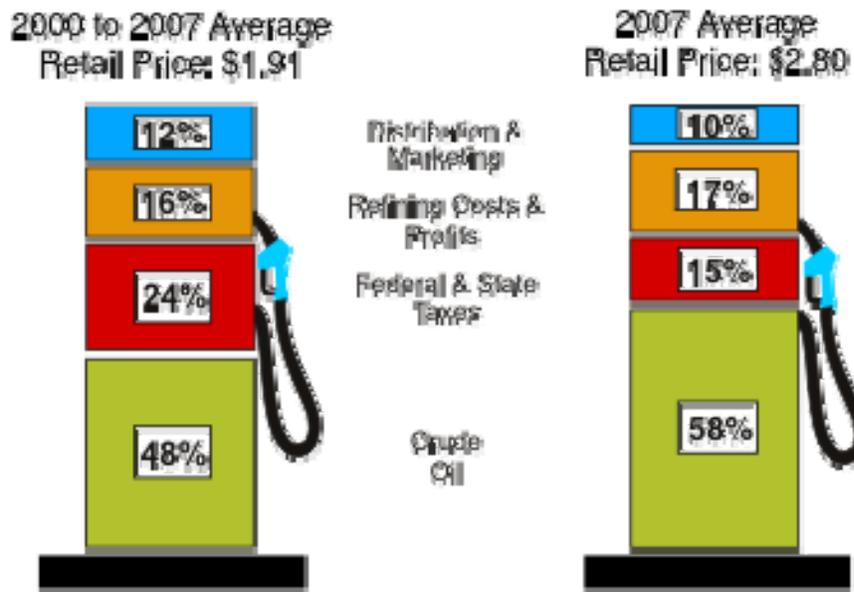
Chart 3



Source: Energy Information Administration, *Short Term Energy Outlook*, January 2007

So the question needs to be asked: Why are we now paying the highest prices, both nominatively and in real dollars, in our history? The dramatic rise in gas and diesel prices can almost exclusively be attributed to higher prices for crude oil. For example, from 2000-2007 the average national retail price of regular unleaded gasoline was \$1.91. The average cost of a barrel of crude oil was \$39. This translates into the cost of crude oil cost equaling 48% of a retail gallon of gas. In 2007 the price of crude oil started to increase. The average price for a barrel of crude oil was about \$68 per barrel and this now accounted for about 58% of the national average retail price of a gallon of regular grade gasoline. Chart 4 shows the various costs that made up a gallon of gas for the time period 2000-2007 and then for 2007:

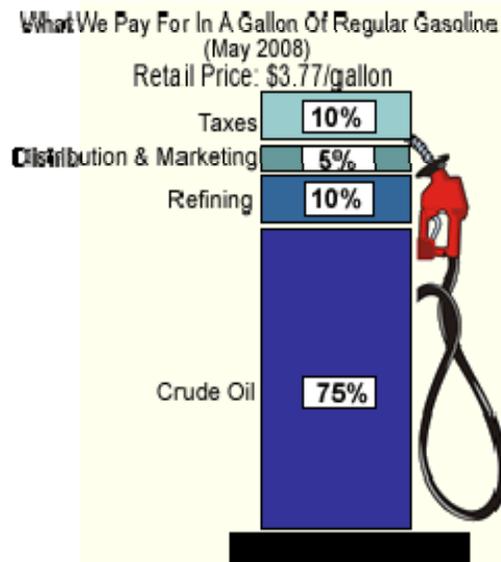
Chart 4



Source: Energy Information Administration

In 2008 the price of crude oil started to dramatically increase. Currently, prices are above \$130 per barrel and now account for about 75% of the national average retail price of a gallon of regular grade gasoline. The rise in crude oil has been so precipitous, that there were times in March 2008 when the gasoline wholesale price was actually cheaper than the then current crude oil price!<sup>39</sup> Chart 5, next page, shows the various costs that make up a gallon of gas at the present:

**Chart 5**



(Note this calculation was done when gas retailed at \$3.77 per gallon)

Source: *Energy Information Administration (6/23/08)*

As you can see, Idaho's, as well as the nation's, dramatic price increases are directly attributable to the rise in the price of crude oil.

An additional item of concern is the impact the oil futures market has on the cost of crude. A number of economists claim that investment in oil futures by entities not directly involved in the oil market (producers, refiners etc., who actually deal with oil as a business and who use futures for its legitimate economic purpose of hedging such business risks) are contributing substantially to the price of oil, perhaps as much as \$20 per barrel.<sup>40</sup> If so, this translates into about \$.48 per gallon of gasoline. The Office of the Attorney General has urged the federal government to investigate the commodities market's effect on the price of gas and also to look into whether these markets have been manipulated.

Crude oil prices are determined by worldwide supply and demand. The prices are not set locally or regionally. So even if the cost of producing Wyoming crude is \$50 a barrel, if the going price for a barrel of crude is higher, it will be priced and sold at that higher price.

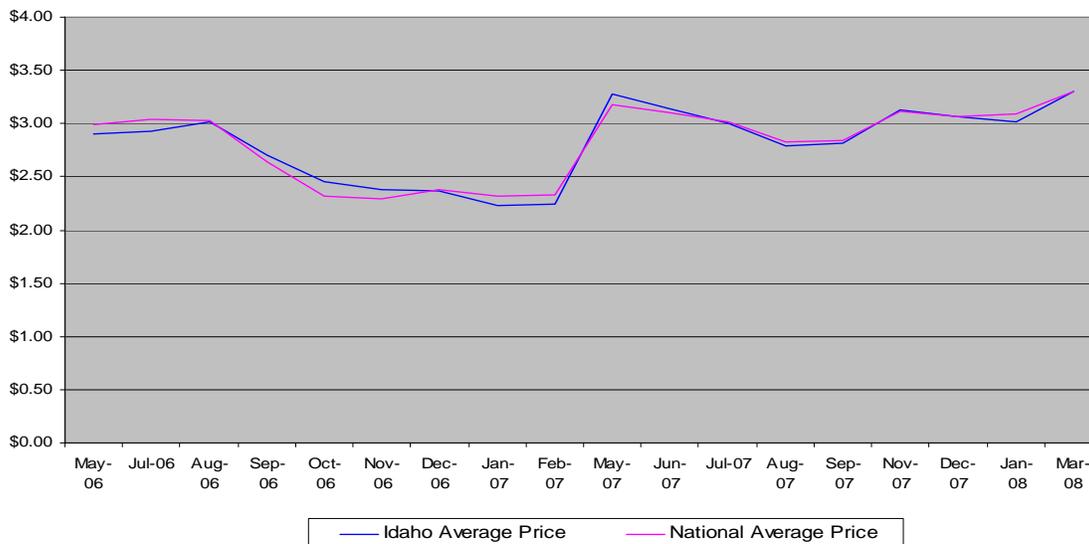
Diesel prices have jumped even more dramatically than regular gasoline. Of course the largest increase is attributable to the increase in crude oil. But a remaining question is why diesel prices have increased even more dramatically than gasoline. The short answer is that international demand for diesel has grown significantly. Most other countries rely more heavily upon diesel than the United States and demand in these countries, particularly China and Europe, has grown consistently, putting pressure on the market. This demand, as much as anything, has put pressure on prices. Indeed, in the first quarter of 2008, international demand was drawing diesel production from U.S. refineries at the rate of 365,000 barrels per day, the highest level of diesel export ever.<sup>41</sup>

I might note parenthetically that in Idaho diesel demand has risen dramatically—in the past two years, on-road diesel consumption has seen a double digit increase and off-road diesel has seen an almost 70% increase, going from 146 million gallons to 246 million gallons.<sup>42</sup>

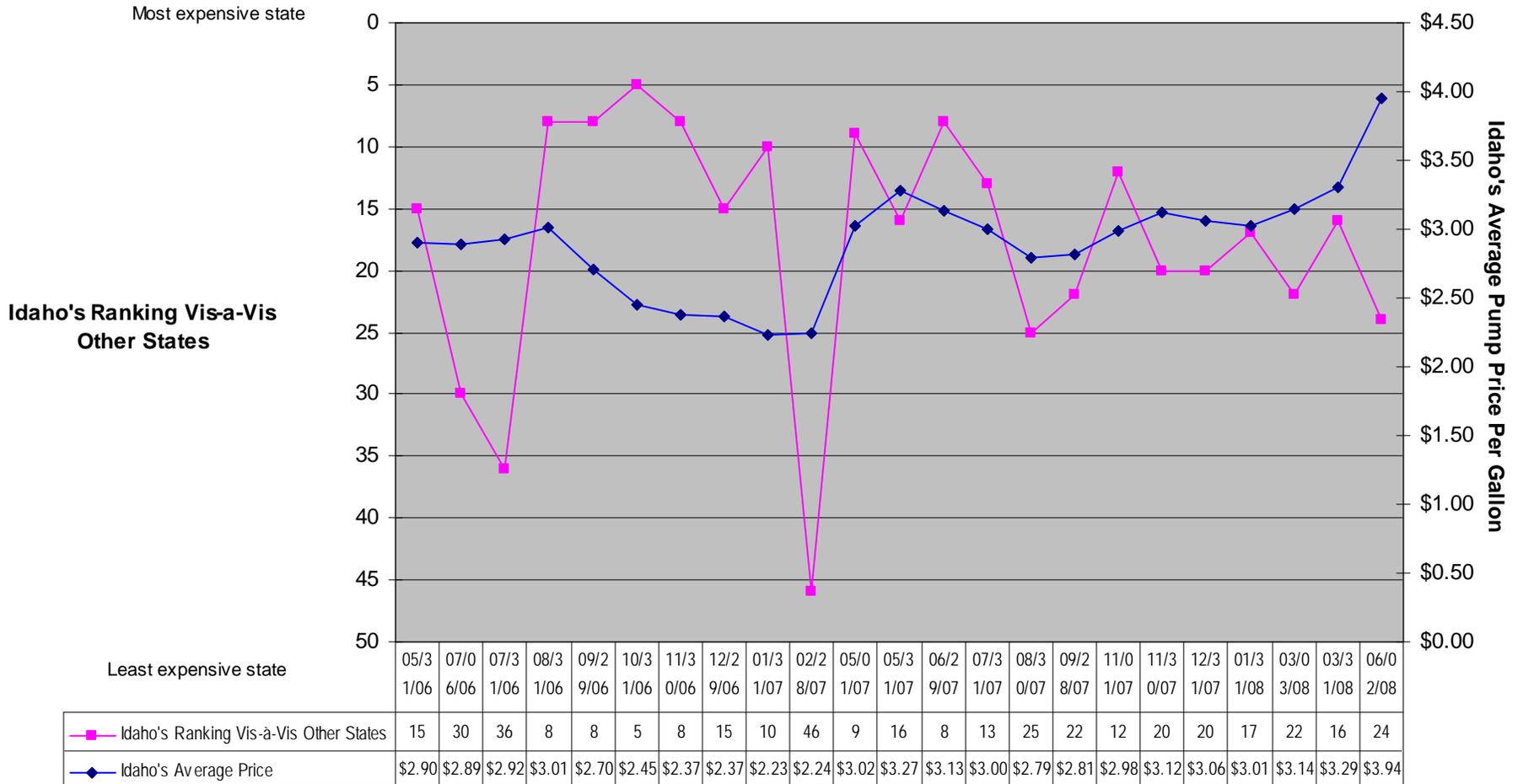
The other question that is raised is how do Idaho gasoline prices compare nationally. Historically, Idaho has been one of the top ten states in the nation in terms of high gas prices. Over the past several years, though, that has changed. Chart 6 shows Idaho’s average gasoline price and how that has compared nationally. Chart 7 shows how Idaho compares to other states in the past two years.

**Chart 6**

**Comparison of Idaho and National Average Gas Prices 5/06 - 3/08**



**Chart 7  
Comparison of Idaho Gas Prices 5/31/06 - 6/2/08**



Source (Chart 6): [http://tonto.eia.doe.gov/dnav/pet/hist/mg\\_tt\\_usw.htm](http://tonto.eia.doe.gov/dnav/pet/hist/mg_tt_usw.htm)

Source (Chart 7): OAG documents

## **Idaho Law and Fuel Prices**

Idaho law addresses gasoline and diesel prices in two ways. One is through the Idaho Competition Act, which prohibits conspiracies to restrain commerce in Idaho by fixing prices. Idaho Code § 48-104. The other is through the Idaho Consumer Protection Act, which prohibits the charging of “an exorbitant or excessive price” for fuel during the duration of a disaster or emergency declaration. Idaho Code § 48-603 (19). The Attorney General is responsible for enforcing both Acts and for conducting investigations under both Acts. Idaho Code §§ 48-108 and 48-109; Idaho Code §§ 48-606 and 48-611. It is important to distinguish between the two price-related statutes because their scope is different and so is the nature of the conduct each proscribes. These differences have implications both for enforcement and for public understanding of what the Attorney General can and cannot do when consumers frustrated with price levels for fuel demand that the Attorney General “do something about high prices.”

### **The Idaho Competition Act and Price Fixing**

The anti-price fixing provision of the Idaho Competition Act is part of the state’s antitrust laws. Among the legislative policies underlying these laws are “to maintain and promote economic competition in Idaho commerce” and “to provide the benefits of that competition to consumers and businesses in the state.” Idaho Code § 48-102 (2). The legislature intends that the state’s antitrust laws be construed in harmony with federal antitrust statutes and federal case law interpreting those statutes. Idaho Code § 48-102 (3).

Idaho Code § 48-104 declares that “[a] contract, combination, or conspiracy between two (2) or more persons in unreasonable restraint of Idaho commerce is unlawful.” Consequently, if prices were fixed as the result of such a contract, combination, or conspiracy, then there would be a violation of state law. Consumer complaints about fuel prices received by the OAG indicate that some consumers have misconceptions about how Idaho’s anti-price fixing law functions.

Some consumers assume that if two or more stations owned by different companies charge the same price for fuel, then that must mean the owners have “fixed” prices. Similarly, some consumers also assume prices must have been “fixed” whenever fuel prices among most

stations in a local market rise or fall close to each other in time, even though prices among the stations vary. Such assumptions confuse correlation and cause. The fact that two or more acts share some characteristic or characteristics in common does not, by itself, establish any cause, let alone that the acts have a common cause, or that a particular cause is legal or illegal. Federal and state antitrust laws operate on a more complicated level than surface correlations. A key premise of antitrust law is that there is a legally relevant distinction between “independent” and “concerted” action when it comes to determining the existence of anticompetitive conduct resulting in price fixing. Matushita Electric Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 588 (1986); Monsanto Co. v. Spray-Rite Service Corp., 465 U.S. 752, 768 (1984).

Antitrust law does not prohibit companies from ever charging the same price. Rather, it is concerned with how those companies came to charge that price. Under federal and state antitrust law, it is permissible for two or more persons to “independently” raise or lower their prices to the same level. Eso Corp. v. United States, 340 F.2d 1000 (9th Circ. 1965); *accord* United State v. International Harvester Co., 274 U.S. 693 (1927). What the law prohibits is two or more parties agreeing in advance to fix their prices at a certain level. Monsanto Co. v. Spray-Rite Service Corp., *supra*. Such conduct is the essence of “concerted” action.

If the conduct of the persons alleged to have engaged in “concerted” action to fix prices is as consistent with permissible competition as it is with illegal conspiracy, then the evidence is insufficient to support an inference of illegality. Matushita v. Electric Industrial Co. v. Zenith Radio Corp., *supra*. To establish an antitrust violation regarding price fixing, the evidence must reasonably exclude the possibility of independent action by the parties. Matushita Electric Industrial Co. v. Zenith Radio Corp., *supra*. “[T]here must be direct or circumstantial evidence that reasonably tends to prove that [the parties] had a conscious commitment to a common scheme designed to achieve an unlawful objective.” Matushita Electric Industrial Co. v. Zenith Radio Corp., *supra*.

## **The Idaho Consumer Protection Act and “Exorbitant or Excessive” Prices**

Generally, Idaho law does not intervene to restrict the price that a business charges consumers for goods and services. The Legislature, however, has enacted a narrow exception to that policy of non-intervention when it involves the price of fuel, food, pharmaceuticals, or water during an officially declared disaster or emergency. In 2002, the legislature amended the Idaho Consumer Protection Act to add Idaho Code § 48-603 (19). Session Laws 2002, ch. 361, § 2, p. 1019. This subsection declares that an unlawful and unfair method of competition or unfair or deceptive act or practice in the conduct of trade or commerce occurs “where a person knows, or in the exercise of due care should know, that he has in the past, or is:”

(19) Taking advantage of a disaster or emergency declared by the governor under chapter 10, title 46, Idaho Code, or the president of the United States under the provisions of the disaster relief act of 1974, 42 U.S.C. section 5121 et seq., by selling or offering to sell to the ultimate consumer fuel or food, pharmaceuticals, or water for human consumption at an exorbitant or excessive price; provided however, this subsection shall apply only to the location and for the duration of the declaration of emergency. In determining whether a price is exorbitant or excessive, the court shall take into consideration the facts and circumstances including, but not limited to:

- (a) A Comparison between the price paid by the alleged violator for the fuel, food, pharmaceuticals, or water and the price for which the alleged violator sold those same items to the ultimate consumer immediately before and after the period specified by the disaster or emergency declaration;
- (b) Additional costs of doing business incurred by the alleged violator because of the disaster or emergency;
- (c) The duration of the disaster or emergency declaration.

Notwithstanding anything to the contrary contained elsewhere in the act, no private cause of action exists under this subsection.

The legislature expressed the following intent in enacting Idaho Code § 48-603 (19):

The Legislature finds that during emergencies or disasters, some persons may take unfair advantage of consumers by greatly increasing prices for essential goods and services. While the pricing of consumer goods and services is generally best left to the marketplace under ordinary conditions, when a declared state of emergency or disaster results in abnormal disruptions of the market, the public interest requires that excessive and unjustified increases in the prices of essential consumer goods and services be prohibited.

Session Laws 2002, ch. 361, § 1, p. 1019.

Idaho Code § 48-603 (19) differs from the prohibition of price-fixing contained in the Idaho Competition Act in that it does not require “concerted” action by two or more retailers. Rather, it looks at retailers individually. Its focus is on the degree of a retailer’s price changes and whether those prices can be said to be “exorbitant or excessive” in light of all relevant factors.

Idaho Code § 48-603 (19) has several key features. First, it applies only to retail sales to consumers. In the case of motor fuel, that means it does not reach any person or entity up the distribution chain from the station owner from whom the consumer purchased fuel. For instance, it does not reach the wholesaler from whom the station owner purchased fuel, nor does it reach the refiner of that fuel or the petroleum producer from whom the refiner obtained the crude oil that was refined into that fuel.

Second, the statute’s application is narrowly confined in time. It applies only during the duration of a disaster or emergency officially declared by the president or the governor. This feature needs to be stressed because there is public confusion regarding the scope of the statute. Many people erroneously assume that the statute prohibiting “exorbitant or excessive price[s],” which is commonly referred to as an “anti-price gouging” statute, applies generally—i.e., that it applies all the time. This erroneous assumption can, in turn, lead to misunderstanding regarding the Attorney General’s statutory authority to act regarding fuel prices and, therefore, to misplaced expectations of the Attorney General. As noted previously, the Legislature has made the public policy determination that the legally relevant time period during which “exorbitant or excessive price[s]” are proscribed is for the duration of an officially declared disaster or emergency.

Third, the statute does not provide a numerical measure for determining when a price becomes “exorbitant or excessive.” Thus, there is no specific number in the statute that marks for enforcement officials and retailers the point at which a legally permissible price becomes a legally impermissible price - i.e., when a price presumptively becomes “exorbitant or excessive.”

Rather, the statute contemplates that what constitutes an “exorbitant or excessive” price will be determined on a case-by-case basis by weighing the relevant “facts and circumstances” referenced in the statute.

Fourth, the statute specifically lists three “facts and circumstances” as relevant in determining when a price is “exorbitant or excessive,” but it also provides that these three factors aren’t exclusive. One specifically referenced factor is a comparison of what the retailer paid for fuel and what the retailer charged the consumer for fuel immediately before the disaster or emergency with what the retailer paid for fuel and charged for fuel during the period covered by the disaster or emergency declaration. A second factor referenced in the statute is consideration of additional costs of doing business incurred because of the disaster or emergency. The third factor referenced in the statute is the duration of the disaster or emergency declaration. The statute, however, expressly provides that consideration of relevant “facts and circumstances” is “not limited” to the three factors specifically listed in the statute. Consequently, the statute has built into it a certain amount of open-endedness regarding other facts and circumstances that might be relevant in evaluating a retailer’s conduct under the statute.

At present, there is no declaration or emergency declaration, so the price gouging provisions of the Idaho Consumer Protection Act do not apply. Even if there were such a declaration the present data we do have does not suggest that Idaho motor fuel retailers are charging consumers “exorbitant or excessive price[s]” in violation of the Idaho Consumer Protection Act. The problem is at the crude oil level, which is far removed from the scope of the Consumer Protection Act.

We also are not aware of information suggesting that state antitrust laws have been violated, nor information warranting an investigation of any retailers under the provision of the Idaho Competition Act that prohibits conspiracies to fix prices. This, of course, excludes the cartel practices of OPEC, but their anti-competitive actions are beyond the reach of Idaho’s Competition Act.

## ENDNOTES

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- <sup>1</sup> See “Daily Fuel Gauge Report,” [www.fuelgaugereport.com/IDavg.asp](http://www.fuelgaugereport.com/IDavg.asp) (6/23/08)
- <sup>2</sup> See “Petroleum State Profiles,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>3</sup> See “Petroleum State Profiles,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>4</sup> See “Petroleum State Profiles,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>5</sup> Source, U.S. Energy Information Administration, “Petroleum,” Rocky Mountain (PADD 4) Crude Oil Production (Thousand Barrels per Day), and Rocky Mountain (PADD 4) Crude Oil and Petroleum Products Imports from Canada (Thousand Barrels per Day), [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>6</sup> Source, U.S. Energy Information Administration, “Petroleum” Rocky Mountain (PADD 4) Crude Oil and Petroleum Products Imports from Canada (Thousand Barrels per Day), [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>7</sup> Source, Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2007),” REV. 3/17/08.
- <sup>8</sup> Source, Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2007),” REV. 3/17/08.
- <sup>9</sup> Source, Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2007),” REV. 3/17/08..
- <sup>10</sup> Source, Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2007),” REV. 3/17/08.
- <sup>11</sup> See “Petroleum State Profiles,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov).
- <sup>12</sup> The estimate is that of Holly Corporation, the owner of a refinery located at Woods Cross, Utah. See “Woods Cross Refinery” at [http://www.hollycorp.com/refineries\\_woods.cfm](http://www.hollycorp.com/refineries_woods.cfm).
- <sup>13</sup> Isaacson, Alan E. “Utah’s Role in the United States Petroleum Industry,” *Utah Economic and Business Review*, Bureau of Economic and Business Research, David Eccles School of Business, University of Utah, Volume 68: July/August 2005, p. 11.
- <sup>14</sup> Isaacson (July/August 2005), pp. 13-14.
- <sup>15</sup> Isaacson (July/August 2005), p. 11. See also Holly Corporation, “Woods Cross Refinery,” [http://www.hollycorp.com/refineries\\_woods.cfm](http://www.hollycorp.com/refineries_woods.cfm).
- <sup>16</sup> Isaacson, (July/August 2005), p. 11. See also Holly Corporation, “Woods Cross Refinery,” [http://www.hollycorp.com/refineries\\_woods.cfm](http://www.hollycorp.com/refineries_woods.cfm).

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<sup>17</sup> See ConocoPhillips Pipe Line Company, “Pipelines & Terminals Map,” <http://www.conocophillipspipeline.com/operation/map.index.htm> . Sinclair Pipeline Company, <http://www.sinclairoil.com/pipelines.htm>. Federal Energy Regulatory Commission, Docket No. OR03-6-000, Order on Complaint (December 17, 2003), p. 2, [http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%](http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%22). Holly Corporation, “Woods Cross Refinery,” [http://www.hollycorp.com/refineries\\_woods.cfm](http://www.hollycorp.com/refineries_woods.cfm).

<sup>18</sup> Federal Energy Regulatory Commission, Docket No. OR03-6-000, Order on Complaint (December 17, 2003), p. 2, [http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%](http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%22).

<sup>19</sup> Federal Energy Regulatory Commission, Docket No. OR03-6-000, Order on Complaint (December 17, 2003), p. 2, [http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%](http://www.ferc.gov/whats-new/comm-meet/121703/G-34.pdf#search+%22Pioneer%22).

<sup>20</sup> Information obtained by OAG directly from Chevron Pipe Line Company.

<sup>21</sup> Isaacson, (July/August 2005), p.11.

<sup>22</sup> Information obtained by OAG directly from Chevron Pipe Line Company.

<sup>23</sup> Information obtained by OAG directly from Chevron Pipe Line Company.

<sup>24</sup> Information obtained by OAG directly from Chevron Pipe Line Company.

<sup>25</sup> Information obtained by OAG directly from Chevron Pipe Line Company.

<sup>26</sup> Federal Energy Regulatory Commission, Oil, Regulating Oil Pipelines, General Information, Regulated Entities, Oil Pipeline Index, <http://www.ferc.gov/industries/oil.asp>.

<sup>27</sup> Federal Energy Regulatory Commission, Oil, Regulating Oil Pipelines, General Information, Regulated Entities, Oil Pipeline Index, <http://www.ferc.gov/industries/oil.asp>.

<sup>28</sup> Chevron Pipe Line Company, Salt Lake Products Pipeline System, Local Pipeline Tariff, Effective July 1, 2005, F.E.R.C. No. 914. The actual tariff rates are in cents per barrel of 42 United States Gallon, but, for purposes of comparison, have been converted in the text to a per gallon equivalent.

<sup>29</sup> Federal Energy Regulatory Commission, Oil, Regulating Oil Pipelines, General Information, Regulated Entities, Oil Pipeline Index, <http://www.ferc.gov/industries/oil.asp>.

<sup>30</sup> Chevron Pipe Line Company, Salt Lake Products Pipeline System, Local Pipeline Tariff, Effective July 1, 2005, F.E.R.C. No. 915. The actual tariff rates are in cents per barrel of 42 United States Gallons, but, for purposes of comparison, have been converted in the text to a per gallon equivalent.

<sup>31</sup> “ConocoPhillips Fact Book” ConocoPhillips: 2006, p.54, <http://www.conocophillips.com/about/Company+Reports/ConocoPhillips+Fact+Book.htm>. “A Primer on Gasoline Prices in Washington State – 2004,” Washington State University Extension Energy Program, [http://qa.cted.was.gov/\\_CTED/documents/ID\\_1923\\_Publications.pdf](http://qa.cted.was.gov/_CTED/documents/ID_1923_Publications.pdf). Cartwright, Paul. “Petroleum and Petroleum Products in Montana,” Montana Department of Environmental Quality: March 2003, p. 7, [http://leg.mt.gov/content/publications/lepo/deq\\_petroleum\\_report/reporttext.pdf](http://leg.mt.gov/content/publications/lepo/deq_petroleum_report/reporttext.pdf). “Sunoco Logistics Partners agrees to purchase ownership interests in Wolverine, West Shore and Yellowstone pipelines from Unocal,” <http://www.unocal.com/uclnews/2002news/103102.htm>. Cartwright notes that Montana’s four refineries export to other states 50-55 percent of their output of refined fuels. Cartwright, p. 7. Of that, about 12.25-13.75 percent is

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shipped to terminals at Spokane and Moses Lake, Washington. Cartwright, p. 7. The Montana refineries, Cartwright states, obtain about 6% of their crude oil from Montana, about 22% from Wyoming, and about 73% from Alberta, Canada. Cartwright, p. 3.

<sup>32</sup> “Sunoco Logistics Partners agrees to purchase ownership interests in Wolverine, West Shore and Yellowstone pipelines from Unocal,” <http://www.unocal.com/uclnews/2002news/103102.htm>.

<sup>33</sup> “ConocoPhillips Fact Book” ConocoPhillips: 2006, p.54, <http://www.conocophillips.com/about/Company+Reports/ConocoPhillips+Fact+Book.htm>.

<sup>34</sup> “A Primer on Gasoline Prices in Washington State – 2004,” Washington State University Extension Energy Program, [http://qa.cted.was.gov/\\_CTED/documents/ID\\_1923\\_Publications.pdf](http://qa.cted.was.gov/_CTED/documents/ID_1923_Publications.pdf).

<sup>35</sup> “A Primer on Gasoline Prices in Washington State – 2004,” Washington State University Extension Energy Program, [http://qa.cted.was.gov/\\_CTED/documents/ID\\_1923\\_Publications.pdf](http://qa.cted.was.gov/_CTED/documents/ID_1923_Publications.pdf). Tidewater Barge Lines, “Terminaling Services,” [www.tidewater.com](http://www.tidewater.com).

<sup>36</sup> Tidewater Barge Lines, “Terminaling Services,” “Snake River Terminal,” “Wilma Terminal,” [www.tidewater.com](http://www.tidewater.com).

<sup>37</sup> Tidewater Barge Lines, “Terminaling Services,” “Umatilla Terminal,” [www.tidewater.com](http://www.tidewater.com).

<sup>38</sup> Tidewater Barge Lines, “Terminaling Services,” “Snake River Terminal,” [www.tidewater.com](http://www.tidewater.com).

<sup>39</sup> See “This Week in Petroleum,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov) (June 18, 2008).

<sup>40</sup> [http://www.consumerfed.org/pdfs/Cooper\\_Testimony\\_Oil\\_Futures\\_Contracts\\_6-17-08.pdf](http://www.consumerfed.org/pdfs/Cooper_Testimony_Oil_Futures_Contracts_6-17-08.pdf)

<sup>41</sup> See “This Week in Petroleum,” U.S. Energy Information Administration website: [www.eia.doe.gov](http://www.eia.doe.gov) (June 18, 2008).

<sup>42</sup> Source, Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2007),” REV. 3/17/08; Idaho State Tax Commission, “Gallons of Fuel Product Received in Idaho (CY 2006),” REV. 3/19/07.