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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?

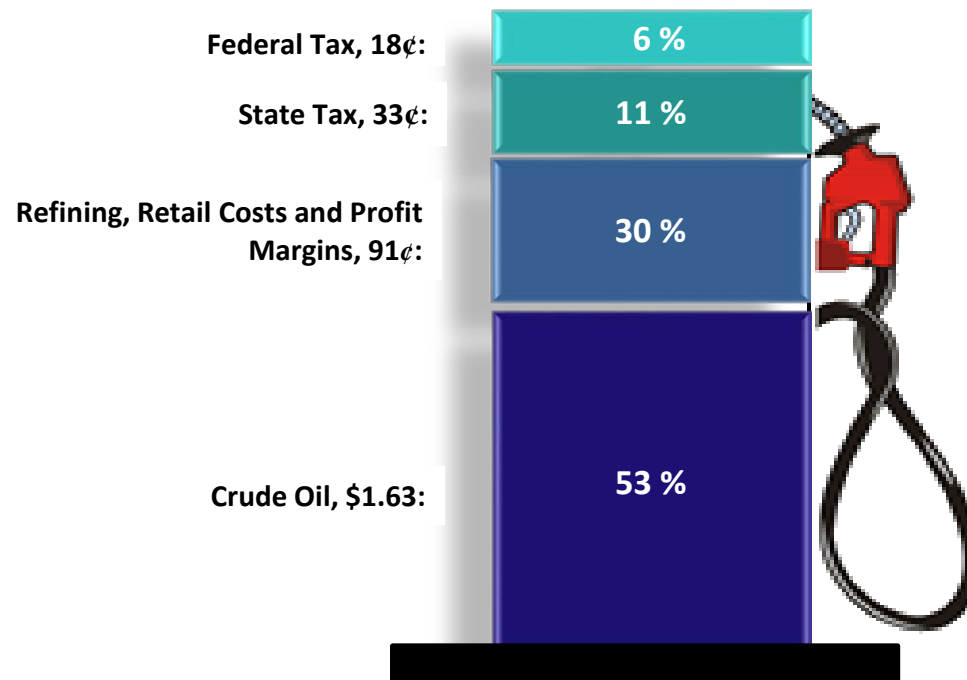
Idaho consumers have little sway over crude oil prices, but they can have an impact at the pump. Consumers can take their business to the retailer whose gas prices are the lowest. This might require consumers to drive by the closest station, but unless and until consumers do this, the higher-priced retailer 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 August 2018 *

Price Components of Idaho Retail Price
The Month of August 2018 - Average \$3.05 Per Gallon *



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* Data only available through August 2018.

* 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 August 31, 2018

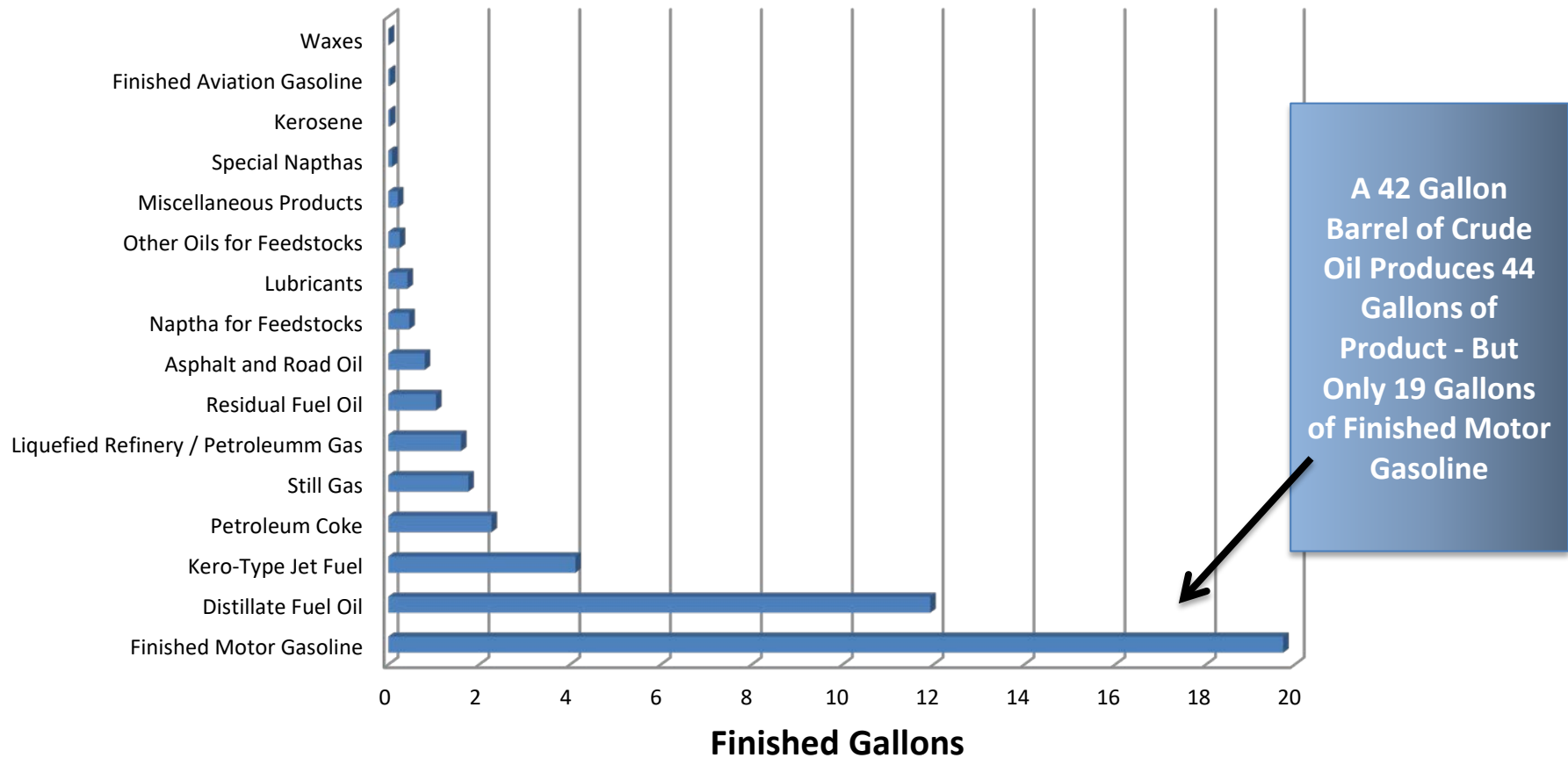
Pre-Tax Gas Price Ranking	State	Avg Pump Price per Gal Unleaded Regular as of 8/31/18	State Fuel Tax (per Gallon)	Pre-State Tax Price (Avg Price Minus State Tax)	Pump Price Ranking	State	Avg Pump Price per Gal Unleaded Regular as of 8/31/18
1	Hawaii	\$3.77	\$ 0.478	\$ 3.296	1	Hawaii	\$3.77
2	Alaska	\$3.35	\$ 0.146	\$ 3.202	2	California	\$3.61
3	California	\$3.61	\$ 0.552	\$ 3.059	3	Washington	\$3.38
4	Idaho	\$3.25	\$ 0.330	\$ 2.920	4	Alaska	\$3.35
5	Utah	\$3.19	\$ 0.294	\$ 2.894	5	Oregon	\$3.26
6	Oregon	\$3.26	\$ 0.367	\$ 2.889	6	Idaho	\$3.25
7	Washington	\$3.38	\$ 0.494	\$ 2.882	7	Nevada	\$3.19
8	Nevada	\$3.19	\$ 0.337	\$ 2.857	8	Utah	\$3.19
9	Wyoming	\$3.00	\$ 0.240	\$ 2.759	9	Pennsylvania	\$3.04
10	Arizona	\$2.86	\$ 0.190	\$ 2.673	10	Connecticut	\$3.04
11	Colorado	\$2.87	\$ 0.220	\$ 2.653	11	Wyoming	\$3.00
12	Montana	\$2.95	\$ 0.322	\$ 2.623	12	New York	\$2.99
13	Massachusetts	\$2.88	\$ 0.265	\$ 2.617	13	Montana	\$2.95
14	Connecticut	\$3.04	\$ 0.438	\$ 2.600	14	Vermont	\$2.91
15	Vermont	\$2.91	\$ 0.312	\$ 2.597	15	Rhode Island	\$2.89
16	New Mexico	\$2.76	\$ 0.188	\$ 2.575	16	Massachusetts	\$2.88
17	North Dakota	\$2.80	\$ 0.230	\$ 2.571	17	Michigan	\$2.88
18	Rhode Island	\$2.89	\$ 0.340	\$ 2.549	18	Colorado	\$2.87
19	New Hampshire	\$2.78	\$ 0.238	\$ 2.545	19	Illinois	\$2.86
20	South Dakota	\$2.84	\$ 0.300	\$ 2.542	20	Arizona	\$2.86
21	Maine	\$2.84	\$ 0.300	\$ 2.540	21	New Jersey	\$2.86
22	New York	\$2.99	\$ 0.457	\$ 2.532	22	South Dakota	\$2.84
23	Delaware	\$2.73	\$ 0.230	\$ 2.496	23	Maine	\$2.84
24	Illinois	\$2.86	\$ 0.373	\$ 2.491	24	West Virginia	\$2.83
25	New Jersey	\$2.86	\$ 0.371	\$ 2.489	25	Indiana	\$2.82
26	Ohio	\$2.76	\$ 0.280	\$ 2.483	26	Wisconsin	\$2.81
27	Wisconsin	\$2.81	\$ 0.329	\$ 2.482	27	Florida	\$2.81
28	West Virginia	\$2.83	\$ 0.357	\$ 2.472	28	North Dakota	\$2.80
29	Minnesota	\$2.76	\$ 0.286	\$ 2.470	29	Maryland	\$2.78
30	Missouri	\$2.63	\$ 0.173	\$ 2.461	30	New Hampshire	\$2.78
31	Pennsylvania	\$3.04	\$ 0.587	\$ 2.455	31	New Mexico	\$2.76
32	Michigan	\$2.88	\$ 0.441	\$ 2.441	32	Ohio	\$2.76
33	Nebraska	\$2.73	\$ 0.289	\$ 2.438	33	Minnesota	\$2.76
34	Maryland	\$2.78	\$ 0.353	\$ 2.430	34	Nebraska	\$2.73
35	Kansas	\$2.67	\$ 0.240	\$ 2.429	35	Delaware	\$2.73
36	Oklahoma	\$2.63	\$ 0.200	\$ 2.427	36	Iowa	\$2.72
37	Kentucky	\$2.68	\$ 0.260	\$ 2.415	37	Georgia	\$2.70
38	Iowa	\$2.72	\$ 0.305	\$ 2.411	38	Kentucky	\$2.68
39	Texas	\$2.60	\$ 0.200	\$ 2.397	39	Kansas	\$2.67
40	Florida	\$2.81	\$ 0.413	\$ 2.395	40	North Carolina	\$2.66
41	Louisiana	\$2.59	\$ 0.200	\$ 2.393	41	Missouri	\$2.63
42	Indiana	\$2.82	\$ 0.429	\$ 2.391	42	Oklahoma	\$2.63
43	Georgia	\$2.70	\$ 0.315	\$ 2.382	43	Tennessee	\$2.60
44	Virginia	\$2.59	\$ 0.224	\$ 2.368	44	Texas	\$2.60
45	Mississippi	\$2.55	\$ 0.187	\$ 2.360	45	Louisiana	\$2.59
46	Arkansas	\$2.57	\$ 0.218	\$ 2.352	46	Virginia	\$2.59
47	Tennessee	\$2.60	\$ 0.264	\$ 2.334	47	Arkansas	\$2.57
48	South Carolina	\$2.54	\$ 0.207	\$ 2.331	48	Mississippi	\$2.55
49	Alabama	\$2.53	\$ 0.209	\$ 2.324	49	South Carolina	\$2.54
50	North Carolina	\$2.66	\$ 0.353	\$ 2.310	50	Alabama	\$2.53

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 July 1, 2018. 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 August 31, 2018. 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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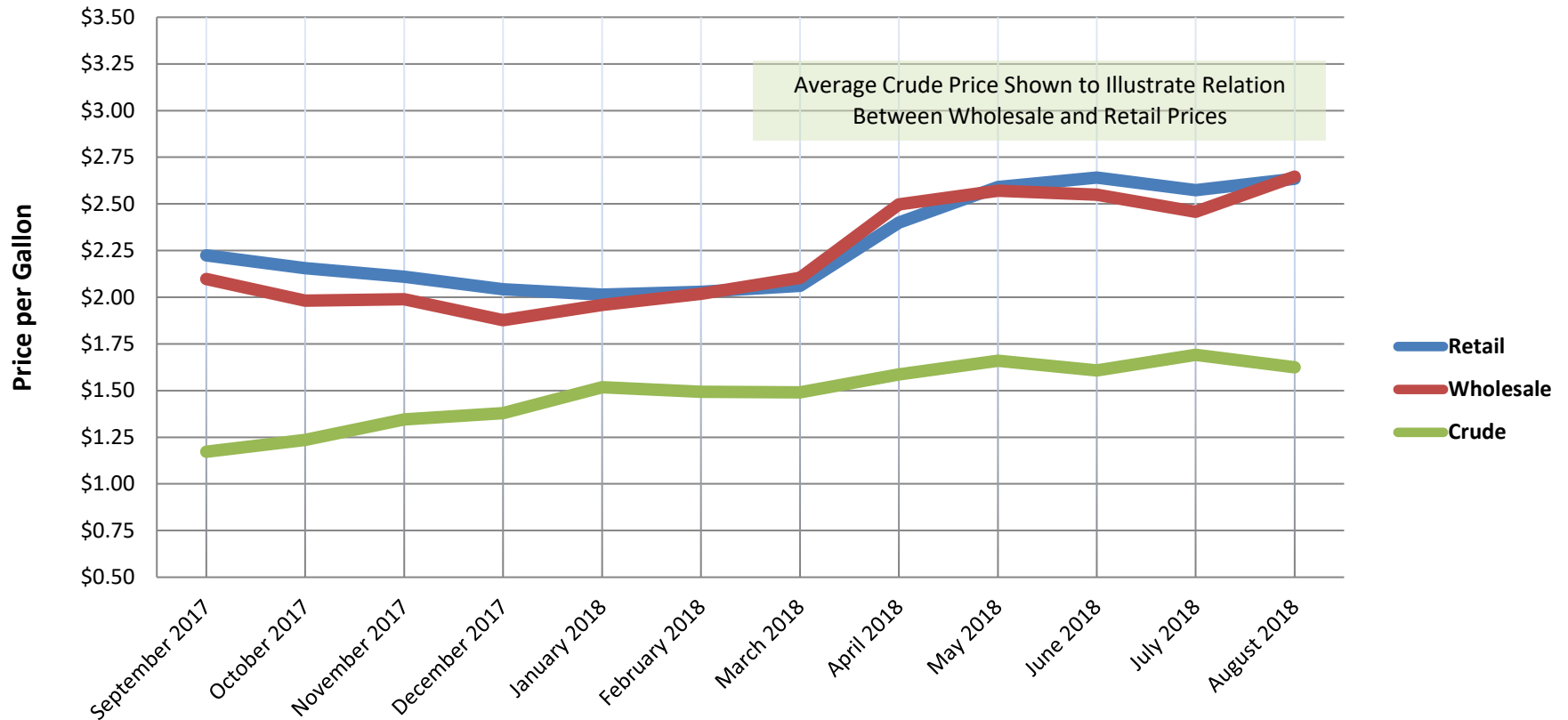
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Source: U.S. Energy Information Administration (EIA),
http://www.eia.gov/energyexplained/index.cfm?page=oil_refining#tab3

Gas Prices in the State of Idaho

Wholesale and Retail Prices*

Idaho State Average - All Formulations: September 2017 - August 2018



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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).