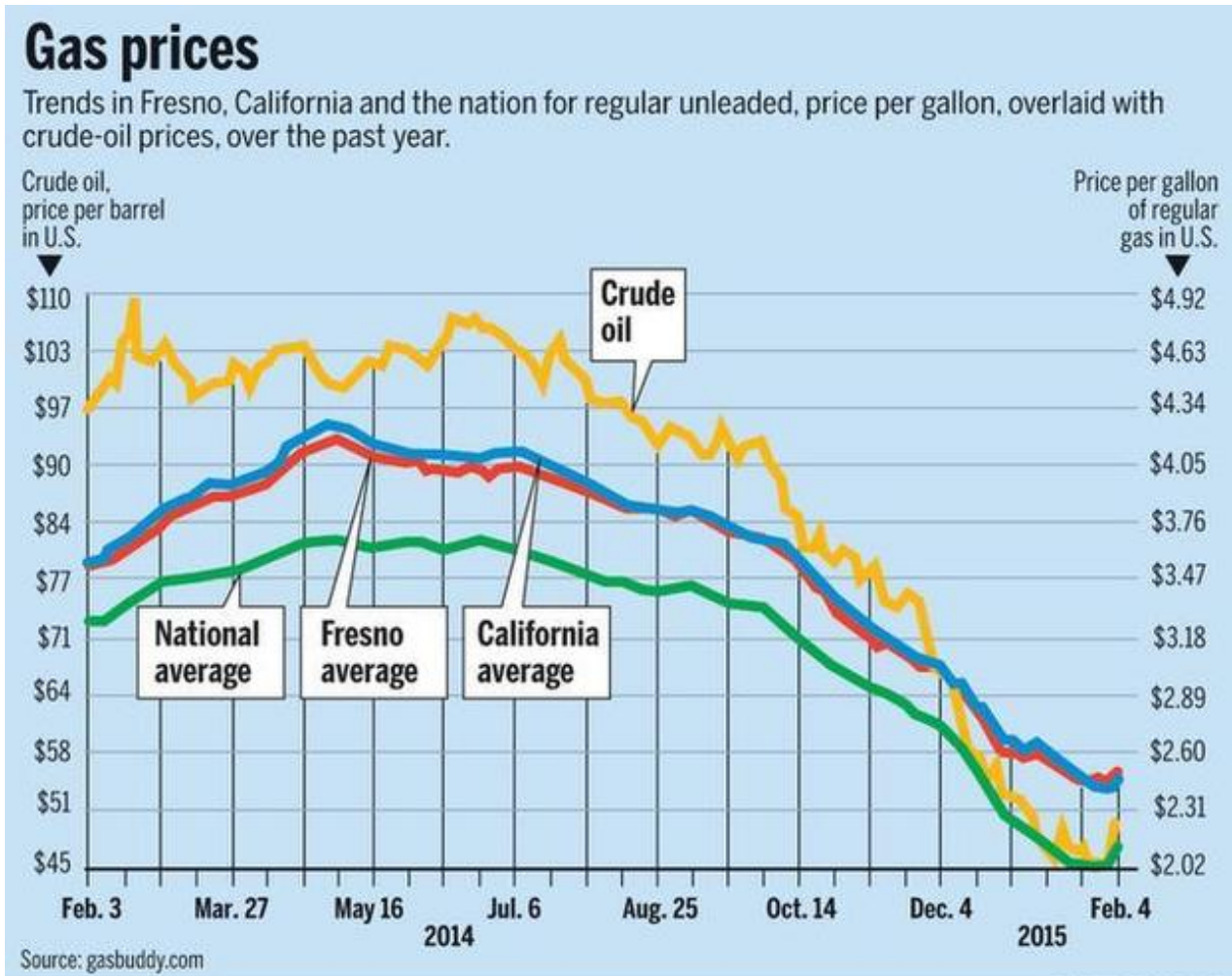


# Gas prices start ticking upward again in Fresno and the Valley

By Tim Sheehan

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- Average gas prices

**After falling for months, gas prices began ticking up again this week in Fresno and across California and the U.S., but prices Wednesday remained well below what they were even a month ago.**

	Fresno	California	U.S.
Wednesday	\$2.50	\$2.49	\$2.11
Tuesday	\$2.48	\$2.46	\$2.07
Week ago	\$2.46	\$2.44	\$2.04
Month ago	\$2.61	\$2.66	\$2.21
Year ago	\$3.56	\$3.59	\$3.27
All-time high(summer 2008)	\$4.63	\$4.67	\$4.11

Source: AAA

It was nice while it lasted, but hopes that gas prices in the Fresno area might fall below the long-lost landmark of \$2 per gallon — as they did last month in other parts of the country — have been dashed by the cruel market realities of the oil industry.

Gasoline prices in Fresno and the central San Joaquin Valley appear to have bottomed out and are beginning to climb once again, by anywhere from a few pennies to a few nickels or more per gallon over the past few days at some stations. The [AAA reported](#) the average of regular unleaded gasoline in the Fresno area on Wednesday at just under \$2.50 a gallon, up two pennies from Tuesday and almost four cents more than a week ago. Still, prices remain about 12 cents less than they were a month ago, and about \$1.05 lower than this time last year.

“Things are really uncertain, but what we’re seeing across the nation as well as in Fresno and throughout California is that prices have started going up,” said Allison Mac, a Los Angeles-based petroleum industry analyst for [GasBuddy.com](#). She described the increases as something to be expected after months of gasoline overselling because of low prices. Now, she said, “we’ll probably see prices continue to increase through Cinco de Mayo.”

GasBuddy, whose estimates of fuel prices are based on customers’ observations and reports of pump prices in their communities, said [its data also showed](#) that the average gas price in Fresno on Wednesday was about \$2.50 per gallon.

“It’s definitely a seasonal thing,” Mac added. “This happens every single year, like clockwork, starting around Groundhog Day.”

There are several factors in play in the complex puzzle that adds up to the prices we pay at the pump. This is the time of year that refineries typically go through maintenance as they prepare to switch fuel blends to meet California’s May 1 deadline for converting to summer formulas for air-quality compliance, Mac said. Additionally, major refineries in Los Angeles and Martinez face strikes by workers, slowing the output of fuel from those plants. And the market forces of supply and demand are finally rebounding from an oversold condition, she added.

January typically marks the time of year when gasoline demand in the U.S. is at its lowest, AAA reported this week. And while prices of domestic crude oil prices fell by more than half over the previous six months, they have largely leveled off, halting the drop in retail pump prices. On Wednesday, crude oil prices on the New York Mercantile Exchange settled at \$48.45 per barrel, down by more than 8% from Tuesday.

Crude oil prices are one thing, but what often puzzles customers are the sometimes dramatic price swings at

individual stations, as well as the price differences among stations in a community. Observers reported that one station in Easton jacked its prices up on Tuesday — not once, but twice — starting the day at \$2.29 per gallon, then climbing to \$2.39 and finishing the day at \$2.49. And while the average per-gallon price of regular unleaded in Fresno and Clovis was \$2.49 or \$2.50 on Wednesday, GasBuddy’s consumer members reported spotting prices ranging from \$2.18 to \$2.83 per gallon at various locations across the metro area.

“People get upset because they think stations are gouging prices,” Mac said. “But I like to compare it to buying a hot dog at Dodger Stadium to buying a hot dog at Costco. They’re both good hot dogs, but the prices are very different.”

Part of it involves gasoline wholesale prices that are paid by gas stations — most of which are independently owned. GasBuddy analysts reported that wholesale prices climbed by an average of 25 to 30 cents per gallon nationwide during the last three weeks of January, and jumped another 11.5 cents per gallon this week. Mac added that California and the Pacific Northwest now have the highest wholesale prices in the nation. And Mac said that different station owners face different operating costs, including property lease prices and overhead that frequently depend on location.

What’s harder to figure out at this point, Mac said, is the effect of [California’s cap-and-trade law](#), which on Jan. 1 began requiring fuel distributors to pay for air pollution credits to make up for their carbon emissions. Critics of the [California Air Resources Board’s](#) move to include fuel companies under the law expressed fears last fall that it could cause gasoline prices at the pump to jump by as much as 76 cents per gallon over the next five years if petroleum companies pass on to consumers their added cost of doing business.

“It’s hard to tease out because we haven’t seen prices jump significantly enough to be able to say if (cap-and-trade) is affecting prices or not,” Mac said Wednesday. “It wasn’t until Monday that prices started to inch back up, and five cents a gallon in the last week is not something we should be up in arms about. ... It really depends more on crude oil prices, and they’ve been fluctuating all around lately.”

The historic high-water mark for fuel prices in Fresno came in June 2008, when regular unleaded reached an average of \$4.63 per gallon and some stations were selling gas for more than \$5 per gallon.

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