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Californians hit with biggest gasoline price spike yet

LOS ANGELES
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- Oil refiner profiteering alleged by consumer group
- "Californians should be outraged by this gouging"

Gasoline prices in California have never risen as quickly or as much as this week's latest spike at the pump, according to the price comparison website GasBuddy.com.

Average prices in Southern California have jumped by 70 cents per gallon in the last week, and could rise another 10-25 cents before increases wind down, GasBuddy says.

The current spike dwarfs the state's previous record weekly spike of 52.7 cents that occurred on Oct. 7, 2012, after Chevron's refinery in Richmond caught fire, GasBuddy says. That spike led to fuel waivers being issued by California Gov. Edmund Brown Jr., to allow importing of gasoline from other states to meet California demands.

But similar requests this time have failed to get any response from Mr. Brown or his staff, says GasBuddy.

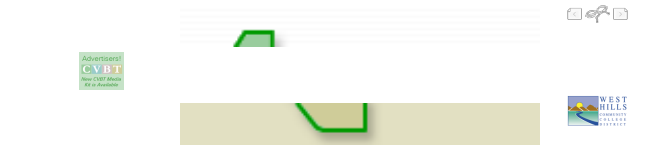
"There's an extraordinary level of frustration among consumers, especially on social media where they ask some very valid questions... the most frequent one being 'How long will this last?' and 'Why isn't anything being done?'," says Patrick DeHaan, senior petroleum analyst with GasBuddy.

"We believe the worst of it is over and that the pace of price acceleration will diminish and flatten out within the next week to two weeks," he says.

But if the suspicions of the activist group Consumer Watchdog were ever to be proven, oil company executives must be rolling around in piles of cash like Scrooge McDuck.

It charges that the gasoline price spike is the result of profiteering by California oil refiners and low inventories maintained by the companies to drive up prices in the state unreasonably.

Consumer Watchdog says it tracked seven ships taking refined gasoline from the West Coast to Mexico and South America. The nonprofit group is presenting information about the ships'



movements to state investigators.

"Oil refiners have kept the state running on empty and now they are sending fuel refined in California abroad right as the specter of low inventories in the state drives huge price spikes," says Consumer Watchdog president Jamie Court. "Californians should be outraged by this gouging and officials should consider forcing oil refiners to open their books and justify their refinery outages, exports and inventories."

"Motorists took it on the chin this past week as gas prices shot past \$4 per gallon in most areas," says Jeffrey Spring, a spokesman for the Automobile Club of Southern California. "However, it appears that the markets are settling down with the wholesale price in LA giving back about half of last week's more than \$1 per gallon increase.

California's average price on July 17 of \$3.833 is the highest in the nation. It is up 38.4 cents from a week ago, according to the AAA.

Nationally, prices are slowly drifting up and down by pennies or fractions of a penny. The current average is \$2.763, up six-tenths of a cent in a week. A year ago, it was \$3.590.

Following are the Central Valley average prices for Friday, July 17, driving from south to north, as reported by the American Automobile Association, with last week's (July 10) averages in parentheses and [July 3] prices in brackets:

- Bakersfield, \$3.869 (\$3.499) [\$3.486]
- Visalia-Porterville, \$3.439 (\$3.340) [\$3.343]
- Fresno, \$3.502 (\$3.395) [\$3.399]
- Merced, \$3.469 (\$3.374) [\$3.343]
- Modesto, \$3.343 (\$3.196) [\$3.156]
- Stockton-Lodi, \$3.396 (\$3.257) [\$3.218]
- Sacramento, \$3.395 (\$3.265) [\$3.217]
- Yolo, \$3.400 (\$3.250) [\$3.223]
- Yuba City, \$3.270 (\$3.113) [\$3.064]
- Chico, \$3.341 (\$3.214) [\$3.240]

The market average price for self-serve regular gasoline in the Los Angeles-Long Beach area on July 17 is \$4.292. That's an increase of 63.6 cents in one week, the AAA says. In San Diego, the average price is \$4.226, up 64.3 cents from last Friday's average, the AAA says.

The skyrocketing prices in the Los Angeles area give the city the title of highest average price in the state and the nation on July 17 at \$4.292, based on the AAA's surveys.

The Yuba City market continues to have California's lowest average. On July 17 it is \$3.270. But that's an increase of 15.7

cents in the past week, the AAA says.

An independent in Vacaville has what might be lowest price in California for a gallon of gas on July 17. It's 18 cents higher than last week at a cash price of \$3.059, says the price comparison website GasBuddy.com.

Chico's gas station in South San Francisco no longer has the state's highest price – not by a long shot. For months readers will recall that its never-changing price of \$5.039 was the highest.

Not now. A gas station on the resort island of Avalon is charging a breath-taking \$7.049 per gallon, according to GasBuddy.

On the mainland, the highest is a whopping \$5.499 at a Chevron station in Los Angeles.

What might be the nation's lowest price is found by GasBuddy at an independent in Aiken, S.C., where \$2.149 is the cash price for a gallon of regular on July 17.

Methodologies

GasBuddy bases its figures on reports from volunteer "price spotters" reporting specific locations in the U.S. and Canada. They are not independently confirmed.

The AAA's prices are market averages for self-serve regular grade (87 octane) gasoline. They are calculated daily from credit card purchases and compiled by the Oil Price Information Service and Wex Inc., formerly known as Wright Express.

Not every station is surveyed and not every market is included in either report. Both price surveys note that there can be wide variations within any market.

Ear Richards 7/17/15 5:19 AM

When oil was \$100, gasoline was \$4, now, when oil is \$50, gasoline should be \$2. Big Oil is ripping-off California big time.



