

## Retail Gasoline Prices Plunge To Six-Year Low

The decline in crude oil prices in 2015 has resulted in the lowest gasoline prices in the U.S. since 2009. U.S. regular retail gasoline prices averaged \$2.43 per gallon in 2015, 93 cents per gallon (28 percent) less than in 2014 and the lowest annual average price since 2009, the Energy Information Administration (EIA) reported on Jan. 7. In 6 of the 10 cities for which EIA collects weekly retail price data, gasoline prices did not exceed \$3 per gallon. EIA publishes retail gasoline prices for 10 cities, 9 states, 5 regions, and the United States as a whole.

Gasoline prices across the country reflect differences in gasoline specifications, taxes, and the characteristics of market supply and demand balances in regional markets.

Gulf Coast retail gasoline prices tend to be the lowest in the country. The region is home to half of U.S. refining capacity and produces substantially more gasoline than it consumes. Additionally, gasoline taxes in the region are among the lowest in the country, EIA stated. In 47 out of 52 weeks in 2015, retail gasoline prices in Houston were the lowest of the 10 cities for which EIA collects data. Houston prices ranged from a high of \$2.51 per gallon in mid-June to a low of \$1.71 on December 28. After the summer driving season, Houston was the first of the 10 cities surveyed where retail gasoline prices fell below \$2, which occurred on September 28.

East Coast (Boston, New York, and Miami). In Boston, New York, and Miami, regular retail gasoline prices reached yearly highs during the summer driving season in late June and early July, and were lowest at the end of the year. Average prices for the entire East Coast region moved within a range of \$2.02/gal to \$2.74/gal over the course of the year.

Midwest (Chicago and Cleveland). Retail gasoline prices in Chicago peaked in mid-August as the result of an unplanned refinery outage near Whiting, Indiana. The Midwest covers a large geographic area consisting of many semi-connected markets. Prices in Chicago were slightly above prices in Cleveland and the regional average in all weeks during 2015.

Rocky Mountains (Denver). Denver retail gasoline prices were the second lowest of the 10 cities surveyed for 30 weeks of 2015. As was the case in the Gulf Coast, Rocky Mountain refineries operated at high utilization rates for much of the year to produce diesel fuel, which also resulted in additional gasoline supplies. At \$1.83 per gallon as of Dec. 14, Denver gasoline prices were at their lowest level since March 16, 2009.

West Coast (Los Angeles, San Francisco, and Seattle). Gasoline prices on the West Coast tend to be higher than in other parts of the country because of strict fuel specifications in California, the region's relative isolation from other markets, and higher state and local taxes. A series of refinery outages on the West Coast, including the significant and sustained loss of capacity from the Exxon Torrance refinery, put continued upward pressure on retail prices in the region. Retail prices in San Francisco were the highest for the first 6 weeks of the year of the 10 cities for which EIA collects data. However, following the February 18 explosion at the Torrance refinery, prices in Los Angeles became the highest in the country and remained there for the rest of the year. Los Angeles prices peaked in mid-July at \$4.31 per gallon following additional unplanned refinery outages, according to EIA.