

At the Pumps: Prices falling, but still 'most expensive ever' for the holiday

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What you are paying at the pump continues to fall.

Following the Russian invasion of Ukraine several months ago, gasoline prices across the the county, the state and the nation skyrocketed. The high prices slowed travel, which impacted areas that depends on tourism.

Now, there is some relief, according to the latest American Automobile Association (AAA) price survey.

Drivers fueling up ahead of Thanksgiving will find falling pump prices in all 50 states. Unfortunately, the AAA states, gas prices will be the most expensive ever for the holiday.

For the week, the national average for regular tumbles 12 cents to \$3.76 a gallon. The Oregon average plunges 17 cents to \$4.77. This is the fifth-largest weekly drop for a state in the nation.

AAA projects 54.6 million Americans (16.4% of the population) will travel 50 miles or more from home for the Thanksgiving holiday, up 1.5% from 2021. This year is expected to be the third-busiest for Thanksgiving travel since AAA started tracking in 2000, only behind 2005 and 2019. About 777,000

Oregonians will head over the river and through the woods for turkey and all the trimmings. Find details and tips for travelers in the AAA Thanksgiving news release.

"Gas prices have never been more expensive for Thanksgiving with the national and Oregon averages at their highest prices ever for the holiday," AAA Oregon/Idaho Public Affairs Director Marie Dodds said. "Those who hit the road for Thanksgiving will find gas prices that are as much as 90 cents a gallon more expensive than last year. Still, we can be thankful that pump prices are moving in the right direction for now."

Crude oil prices are at their lowest prices in 10 months and that's helping to put downward pressure on pump prices. Crude prices remained in a fairly tight range between about \$85 and \$93 per barrel for several weeks until this week when prices fell to \$80 as markets focused on a potential slowdown for global economies, driven by the seemingly increasing COVID-19 outbreak in China.

Crude oil prices climbed above \$90 briefly earlier this month. Crude reached a recent high of \$122.11 per barrel on June 8, and ranged from about \$94 to \$110 per barrel in July. In August, crude prices ranged between about \$86 and \$97. In September, crude prices ranged between about \$76 and \$88 per barrel. In October, crude ranged between \$82 and \$92 per barrel.

Crude prices rose dramatically leading up to and in the first few months of Russia's invasion of Ukraine. Russia is one of the world's top oil producers and its involvement in a war causes market volatility, and sanctions imposed on Russia by the U.S. and other western nations resulted in tighter global oil supplies. Oil supplies were already tight around the world as demand for oil increased as pandemic restrictions eased. A year ago, crude was around \$77 per barrel compared to \$82 today.

Crude oil is the main ingredient in gasoline and diesel, so pump prices are impacted by crude prices on the global markets. On average, about 56% of what we pay for in a gallon of gasoline is for the price of crude oil, 20% is refining, 11% distribution and marketing, and 14% are taxes, according to the U.S. Energy Information Administration.

Demand for gasoline in the U.S. fell from 9.01 million to 8.74 million b/d for the week ending November 11.

This compares to 9.24 million b/d at this time last year. rose by nearly 2.2 million bbl to 207.9 million bbl. Increasing supply and falling demand have helped to push pump prices lower. As demand remains low and stocks grow, drivers will likely see pump prices dip through the Thanksgiving holiday.

Quick stats

Pump prices are lower this week in all 50 states and the District of Columbia. Wisconsin (-24 cents) has the largest weekly drop. Hawaii (-1 cent) has the smallest weekly decline.

California (\$5.12) has the most expensive gas in the country for the 11th week in a row. California and Hawaii (\$5.20) are the only two states with averages at or above \$5 a gallon. This week nine states, including Oregon, have averages at or above \$4, and 41 states and the District of Columbia have averages in the \$3-range.

The cheapest gas in the nation is in Texas (\$2.98) and Georgia (\$3.09). For the first time in 98 weeks, there's a state with an average below \$2 a gallon.

The difference between the most expensive and least expensive states is \$2.23 which continues to be stark.

Oregon is one of 39 states and the District of Columbia with lower prices now than a month ago. The national average is 17 cents less and the Oregon average is 51 cents less than a month ago. Oregon has the third-largest monthly decrease in the nation. California (-58 cents) and Alaska (-55 cents) have the largest monthly declines. Maine (+22 cents) has the largest month-over-month increase.

Oregon is one of 47 states and the District of Columbia with higher prices now than a year ago. The national average is 23 cents more and the Oregon average is 82 cents more than a year ago. This is the fourth-largest year-over-year increase in the nation. Alaska (+87 cents) and Hawaii (+86 cents) have the largest yearly gains. Georgia (-14 cents) has the biggest year-over-year decline.

West Coast

The West Coast region continues to have the most expensive pump prices in the nation with all seven states in the top 10. This is typical for the West Coast as this region tends to consistently have fairly tight supplies, consuming about as much gasoline as is produced. In addition, this region is located relatively far from parts of the country where oil drilling, production and refining occurs, so transportation costs are higher. And environmental programs in this region add to the cost of production, storage and distribution.

Refinery issues in California in September and October exacerbated the situation, creating extremely tight supplies and causing pump prices in this region to skyrocket.

California is the most expensive state for the 11th consecutive week with Hawaii, Nevada, Washington, Oregon, and Alaska rounding out the top six. Arizona is eighth. Oregon is fifth most expensive for the second week in a row.

All of the West Coast states are seeing weekly drops. California (-22 cents) has the largest in the region. Hawaii (-1 cent) has the smallest.

The refinery utilization rate on the West Coast rose from 90.1% to 92.7% for the week ending November 11. This is the highest rate in the last year.

According to EIA's latest weekly report, total gas stocks in the region increased from 27.19 million bbl. to 27.99 million bbl.