

## Think the fix is in on gas prices? New report may back you up

<http://www.katu.com/news/local/Report-says-regions-gas-prices-may-have-been-inflated-on-purpose-Robert-McCullough-Economist-Big-Oil-159000735.html>

By Anita Kissée KATU News and KATU.com Staff June 13, 2012

PORTLAND, Ore. - According to a [new report](#), gas prices in the Northwest never should have gotten so high and may have been inflated on purpose.

KATU News has also learned that [big oil](#) may have been making \$50 million a day from drivers in Oregon and Washington.

The price at the pump should reflect crude oil, which is way down. But while the rest of the country has enjoyed saving close to 20 cents a gallon, drivers in Oregon and Washington have had to cough up 65 cents more.

"I think I saw something in the South that was as low as \$3.13 a gallon. And here we're paying almost \$4.30," said driver Spencer Knuttila.

Portland economist [Robert McCullough](#) helped expose Enron. His [new report "Analysis of West Coast Gasoline Prices"](#) released June 5 says oil refineries may have intentionally created a supply shortage this spring just to charge Northwest drivers inflated prices, and they reportedly made almost \$50 million a day because of it.

"In terms of gasoline, we're an island," he said during a KATU News interview.

The price problem started with a fire at the Washington BP refinery.

"Strangely enough, the refineries in California continued with their scheduled maintenance. Suddenly the inventory of gasoline on the West Coast plummeted to some of the lowest levels in history. Not surprising, suddenly the price shot through the roof," McCullough said. "We'd like to know why all of these guys needed repairs at the same time."

According to the report, evidence does not support the cited explanation that refinery shutdowns were causing the price spike; instead, the report says Energy Information Administration "data would appear to indicate that the refinery capacity should have been sufficient to meet the shortfall caused by fires and maintenance shutdowns."

The region, however, is finally starting to get a break.

In the last week a gallon of gas in Washington went from \$4.26 to \$4.14. In Oregon the price dropped from \$4.23 to \$4.10.

But McCullough says Northwest drivers should really be paying \$3.51.

U.S. senators in Oregon and Washington also think the price of gas is out of line. They're demanding a federal investigation.

Unlike other commodities, there's no government watchdog agency that oversees the oil companies. McCullough says consumers know more about artichoke prices than oil prices. That's why the Federal Trade Commission has been asked to investigate.