
A BILL FOR AN ACT

RELATING TO GASOLINE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In setting the maximum pre-tax wholesale price
2 of gasoline, Act 242, Session Laws of Hawaii 2004, established a
3 baseline price for regular unleaded gasoline to be the weekly
4 average of the spot daily price for regular unleaded gasoline
5 for Los Angeles, New York Harbor, and the United States Gulf
6 Coast.

7 To assist it in implementing the maximum pre-tax wholesale
8 price program, the public utilities commission engaged the
9 consulting firm of ICF Consulting, LLC. In its report of April
10 15, 2005, an initial finding of ICF Consulting, LLC was that the
11 baseline gasoline prices established may not be the most
12 appropriate. IFC Consulting, LLC noted that the United States
13 imports one million barrels of gasoline per day, with the bulk
14 of the imports going to Florida, the east coast, and the west
15 coast. Accordingly, if the State were to import gasoline, the
16 three locales stated in the baseline would not be likely sources
17 of gasoline. More likely, the sources of any gasoline imported
18 into the State would be the far east, including Singapore,



1 Taiwan, or Korea, or Venezuela and other Caribbean sources.
2 These sources already export gasoline to the United States and
3 in many instances to the locales set forth in the baseline for
4 the State's existing maximum pre-tax wholesale gasoline price.

5 The purpose of this Act is to change the baseline price for
6 regular unleaded gasoline in determining the maximum pre-tax
7 wholesale gasoline price to reflect actual worldwide gasoline
8 market conditions.

9 SECTION 2. Section 486H-13, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) The baseline price for regular unleaded gasoline
12 referred to in subsection (b) shall be determined on a weekly
13 basis and shall be equal to the average of:

14 (1) The weekly average of the spot daily price for regular
15 unleaded gasoline for [~~Los Angeles~~] Singapore;

16 (2) The weekly average of the spot daily price for regular
17 unleaded gasoline for [~~New York Harbor~~; and] Taiwan;

18 (3) The weekly average of the spot daily price for regular
19 unleaded gasoline for [~~the United States Gulf Coast~~];
20 Korea; and

21 (4) The weekly average of the spot daily price for regular
22 unleaded gasoline for Venezuela;

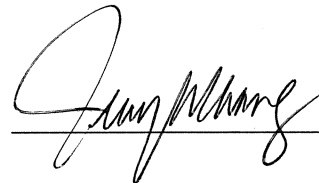


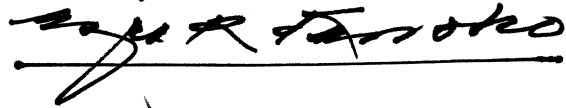
1 as reported and published by Platt's or the Oil Price
 2 Information Service for the five business days of the preceding
 3 week; provided that the commission, in its discretion, may
 4 determine a more appropriate baseline or a more appropriate
 5 price information reporting service."

6 SECTION 3. Statutory material to be repealed is bracketed
 7 and stricken. New statutory material is underscored.


8 SECTION 4. This Act shall take effect upon its approval.
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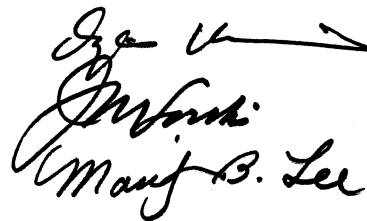
INTRODUCED BY:











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HB 1816

Report Title:

Gasoline Dealers; Public Utilities Commission

Description:

Changes the baseline price for determining maximum pre-tax wholesale gasoline price from the average of spot daily price of gasoline in New York, the Gulf Coast, and Los Angeles to the average of the spot daily price of gasoline in Singapore, Taiwan, Korea, and Venezuela.

