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SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL'S

**ENERGY COST INDEX 2009:
RANKING THE STATES**

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Protecting small business, promoting entrepreneurship

Energy Cost Index 2009: Ranking the States

by Raymond J. Keating

The costs of energy are impacted by a variety of factors, including economic growth, investment in exploration and development of resources, the particular energy resources being utilized (such as coal, natural gas or renewables), political risks (for example, in terms of risks to oil production at home and around the globe), and government mandates, regulations and taxes.

The governmental factors certainly explain part of the difference in energy prices from state to state. For example, what taxes are in effect? What mandates are imposed by either the federal government or by the states that either directly or indirectly affect energy prices? And so on.

What do you pay at the pump? What do you pay for electricity? Those are two big questions for small businesses regarding energy.

SBE Council's "Energy Cost Index 2009" looks at these two major energy costs affecting small businesses, individuals and families. One is the price of regular gasoline at the pump and the other is the cost of electricity (average revenue per kilowatt-hour). Each are calculated as indices and combined into one index. The "Energy Cost Index 2009" provides a bottom line ranking of the 50 states and the District of Columbia on energy prices.

At the top – or the lowest cost states – are: 1) Wyoming, 2) Idaho, 3) Utah, 4) Kentucky, 5) West Virginia, 6) Missouri, 7) Nebraska, 8) Indiana, 8) Iowa, 8) North Dakota, 11) South Dakota, 12) Arkansas, 12) Kansas, 12) South Carolina, and 15) Oklahoma. At the other end are the highest cost states (including the District of Columbia): 37) Florida, 38) Delaware, 39) Vermont, 40) Maryland, 41) District of Columbia, 41) Maine, 43) New Jersey, 44) California, 44) New Hampshire, 46) Massachusetts, 47) Rhode Island, 48) Alaska, 49) Connecticut, 49) New York, and 51) Hawaii.

In the end, elected officials need to be aware of how their policies impact the costs of electricity and the cost of fuel. It matters to consumers and businesses of all types and sizes; to the competitiveness of each state; and to the overall economy.

(Complete **Energy Cost Index 2009** ranking begins on page three.)

Energy Cost Index 2009

Rank	State	Electricity Cost	Index	Gas Price Index	Energy Cost Index
1	Wyoming	0.58		0.92	1.50
2	Idaho	0.58		0.95	1.53
3	Utah	0.67		0.93	1.59
4	Kentucky	0.64		0.96	1.60
5	West Virginia	0.57		1.04	1.61
6	Missouri	0.70		0.93	1.63
7	Nebraska	0.66		1.01	1.68
8t	Indiana	0.73		0.97	1.69
8t	Iowa	0.71		0.98	1.69
8t	North Dakota	0.68		1.02	1.69
11	South Dakota	0.72		1.00	1.72
12t	Arkansas	0.79		0.95	1.74
12t	Kansas	0.77		0.97	1.74
12t	South Carolina	0.81		0.93	1.74
15	Oklahoma	0.81		0.94	1.75
16t	Montana	0.76		1.00	1.76
16t	Tennessee	0.82		0.94	1.76
18	Minnesota	0.80		0.97	1.77
19	Virginia	0.82		0.96	1.78
20	Washington	0.68		1.12	1.80
21	Oregon	0.74		1.07	1.81
22	North Carolina	0.83		0.99	1.82
23t	Alabama	0.88		0.96	1.83
23t	Ohio	0.86		0.97	1.83
25t	Colorado	0.88		0.98	1.86
25t	Georgia	0.91		0.95	1.86
25t	Mississippi	0.91		0.95	1.86
25t	New Mexico	0.85		1.01	1.86
29	Arizona	0.93		0.97	1.90
30t	Louisiana	0.96		0.96	1.92
30t	Michigan	0.93		0.98	1.92
32	Wisconsin	0.92		1.03	1.95
33t	Illinois	0.94		1.03	1.97
33t	Pennsylvania	0.95		1.01	1.97
35	Nevada	1.01		1.04	2.05
36	Texas	1.11		0.96	2.08
37	Florida	1.10		1.03	2.13
38	Delaware	1.25		0.96	2.21
39	Vermont	1.26		0.99	2.25
40	Maryland	1.33		1.00	2.32
41t	Dist. of Columbia	1.38		1.03	2.41
41t	Maine	1.40		1.01	2.41

Energy Cost Index 2009 (continued)

Rank	State	Electricity Cost	Index	Gas Price Index	Energy Cost Index
43	New Jersey	1.52		0.92	2.44
44t	California	1.32		1.13	2.45
44t	New Hampshire	1.49		0.96	2.45
46	Massachusetts	1.65		0.97	2.62
47	Rhode Island	1.64		1.01	2.65
48	Alaska	1.48		1.23	2.71
49t	Connecticut	1.73		1.04	2.77
49t	New York	1.71		1.06	2.77
51	Hawaii	2.98		1.20	4.18

Data Sources: Gas price index from gas prices provided by the AAA's website www.fuelgaugereport.com accessed on April 5, 2009, and electricity cost index is an index of state's average revenue per kilowatthour for electricity utilities (data for 2008 from the U.S. Energy Information Administration).

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SBE Council is a nonprofit, nonpartisan advocacy organization that works to protect small business and promote entrepreneurship. For additional information, please visit www.sbecouncil.org.