Rising crude oil prices are pushing retail gasoline prices to levels not seen since the fall of 2008. At $2.85, gasoline in Texas is three cents higher than last week and at the highest point of the year, surpassing the year-to-date mark of $2.82 that was reached in May, according to the AAA Texas Weekend Gas Watch.

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In San Antonio, the average price for a gallon of regular unleaded rose 4 cents this past week, from $2.77 to $2.81.

The national average also increased three cents from $2.98 to $3.01. For the second week in a row, gasoline in Texas is 16 cents below the national average. If prices don't drop through the rest of the week, it will be the most expensive Christmas for gasoline on record both in Texas and in the U.S. The previous Christmas record was in 2007, when the national average was $2.97 a gallon and the Texas statewide average was $2.83 a gallon.

In Texas, the least expensive gasoline is in San Antonio and El Paso. The most expensive gasoline is in Texarkana at $2.89.

High crude oil prices is driving the market. As recently as Monday, Dec. 20, oil was trading at $87.70, but it jumped on Thursday to $91.50, an increase of $3.80 a barrel in three days of trading.

According to the Oil Price Information Service, the growing economies in China and India mean worldwide demand for petroleum products has likely surpassed available supplies since summer or fall of this year, even as domestic demand has remained flat.

When a motorist goes to a service station to fill up, 66 percent of the cost is directly related to the price of crude oil," says AAA Texas/New Mexico spokesman Dan Ronan. "The other 33 percent goes to the various gasoline taxes, the cost of refining the oil and turning it into gasoline, the distribution costs, marketing costs and the gasoline station's profit."

Higher gas prices come as approximately 7 million of the 7.5 million Texans planning to travel over the holidays (94 percent) say they will drive to their year-end holiday destination. That represents a 3.4 percent increase from the 6.8 million who drove last year.

The year-end holidays travel period is defined as Thursday, Dec. 23, 2010, to Sunday, Jan. 2, 2011. Nationwide, AAA forecasts 92.3 million Americans will travel 50 miles or more from home during the year-end holidays.