

## Gas prices are mighty low nationwide – and in Sisters Country

The national average for regular unleaded dipped below \$2 per gallon for the first time since March 25, 2009, according to AAA. Monday's price was \$1.998 per gallon. AAA says the national average dropped below the \$2 mark on the morning of December 21. The national average was last below \$2 per gallon on March 25, 2009, when it was \$1.986 per gallon. Oregon's average was last below \$2 per gallon on February 6, 2009, when it was \$1.994 per gallon. The current Oregon average is \$2.31.

AAA estimates that cheaper gas prices have saved Americans more than \$115 billion on gasoline so far this year compared to 2014, which works out to more than \$550 per licensed driver in the country. AAA projects more than 91 million Americans and about 1.2 million Oregonians plan to take advantage of cheaper gas prices to drive 50 miles or more during the upcoming holiday period.

The national average price of gas is about 41 cents and the Oregon average is 35 cents less than a year ago. Gas prices have dropped because there are more than enough oil and gasoline supplies around the world to meet current demand. In addition, gas prices generally fall through early winter because people drive less this time of year. It is likely that prices will continue to decline over the coming weeks.

Nearly two-thirds of U.S. stations are selling gas under \$2 per gallon, and drivers can find at least one station selling gas for less than that price in 45 states. The most common price nationwide is \$1.999 per gallon.

Sisters isn't that low, but prices hovering around \$2.27 look pretty good to folks around here.

The lowest one percent of U.S. stations are selling gas for an average of \$1.59 per gallon, and more than 13,000 stations are selling gas for less than \$1.75 per gallon. The states with the cheapest averages include: Missouri (\$1.77), Oklahoma (\$1.78) and South Carolina (\$1.78).

West Coast pump prices have been elevated this fall due to the heavy refinery maintenance season combined with unplanned outages. Averages in these states may not fall below \$2. This region continues to have some of the highest prices for retail gas in the country. Hawaii is most expensive at \$2.73, followed by California (\$2.72), Nevada

(\$2.49), Washington \$2.43 and Alaska at \$2.39. Oregon is sixth most expensive at \$2.31. Average state prices can be found on AAA's Daily Fuel Gauge Report website.

Earlier this year, the national average bottomed out at a multi-year low of \$2.033 on January 26 while the Oregon average bottomed out at \$2.115 on February 2.

Average gas prices last fell below \$2 per gallon for a brief span between November 2008 and March 2009 during the height of the Great Recession, as weak global demand and a significant decline in driving helped push prices downward. Prior

to that four-month period, average gas prices were last below \$2 per gallon in early March 2005, meaning it has been more than a decade since gas prices were below \$2 per gallon when the economy was not in recession.

The national average price of gas has remained more expensive than \$2 per gallon for 2,462 consecutive days. During this 81-month span, gas prices averaged \$3.11 per gallon and reached as high as \$3.98 on May 5, 2011. The highest national average ever was \$4.11 per gallon on July 17, 2008. The highest Oregon average on record is \$4.29 reached on July 3, 2008.

Based on normal seasonal trends, gas prices likely will remain low through January, and could drop even further if the cost of crude oil remains weak. By late winter, gas prices may rise 50 cents per gallon or more as refineries conduct maintenance in advance of the busy summer driving season. The maintenance reduces fuel production and typically leads to higher gas prices. Despite the expected seasonal increase, the national average price of gas may not rise above \$3 per gallon in 2016 because oil should remain abundant and relatively inexpensive.

Domestic supplies of

commercial crude oil are about 29 percent higher than a year ago, according to the Energy Information Administration, while oil prices are about \$70 per barrel cheaper than in the summer of 2014. Oil is the primary cost associated with making gasoline, and every \$10 decline in the cost of oil can reduce gas prices by nearly 25 cents per gallon.

Americans are on track this year to drive a record number of miles, largely due to lower gas prices and a stronger economy, based on early estimates by the Federal Highway Administration.

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