

Predictions coming true; Gas prices rise dramatically

by Bend_Weekly_News_Sources

The national average gas price rose another 12-cents in the past week to \$2.49. That's an increase of thirty-one and a half cents in the last month. During the same time period, Oregon's statewide average price climbed nine cents to \$2.61, an 18-cent per gallon gain in a month.

Energy analysts attribute the early and rapid surge in prices to strong oil prices, unusually high consumer demand, and the switch from winter grade fuel to cleaner burning summer grades. In previous years, price spikes occurred later in the spring as the heavy summer driving season approached.

"January and February are the months when fuel prices typically hit their lowest levels," said AAA Oregon Public Affairs Director Elliott Eki. "But, in November, fuel prices began to move upward from an already high platform. By early January, prices started to decline, but at that time, the Oregon statewide average was almost 40-cents higher than the national average."

The winter price decline continued until mid-February when gasoline prices across the nation started to move upward again. In 2006, Oregon's statewide average price hit a low of \$2.12 in early January and closed the year at \$2.69. So far, the lowest average price in 2007 was \$2.42 in mid-February.

Some analysts forecast that the Pacific Northwest average price for a gallon of regular gasoline could hit \$3 by the end of March. In California, San Francisco's average price already is posted at \$3.09 on AAA's fuel database, and average prices are expected to surpass \$3 in other parts of that state soon.

At \$2.61, Oregon's and Washington's average gasoline prices are tied for 6th highest in the nation. California has the highest average price at \$2.93, with Hawaii following at \$2.85, New York at \$2.65, Nevada at \$2.64 and Connecticut at \$2.635. Idaho's average price gained six cents to \$2.29. Utah has the lowest statewide average price at \$2.25. During the past week, the national average diesel price rose to \$2.69 per gallon. Idaho's average diesel price rose to \$2.74, Nevada's inched up to \$2.83, Washington's moved up to \$2.85, and California's rose slightly to \$3.06. Oregon's average diesel price is \$2.71.

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