As price of gas falls, crude oil lingers near $70 per barrel

by Bend_Weekly_News_Sources

In the past month, the national average price for a gallon of regular gasoline dropped by almost 18-cents to slightly above $3. In Oregon, the average price plummeted by 29-cents in the same time period to the current statewide average price of $3.12, narrowing the gap between the statewide and national average prices.

Even as the cost of gasoline continues to retreat, the price of crude oil hit $70 per barrel on Mondayâ€”the highest it's been since September 2006â€”then fell back to less than $69 on Tuesday. According to Tom Kloza, senior analyst at the Oil Price Information Service, the primary force behind the cost of crude oil is the strong global price of fuel. Yet, he forecasts that U.S. average gasoline prices during the up-coming 4th of July holiday will be lower than motorists paid during the Memorial Day weekend. At that time, the Oregon statewide average price for regular gasoline was $3.39, compared to the $3.23 national average price.

How much further gasoline prices will decline is difficult to forecast. Last week, the U.S. Energy Department reported that gasoline stockpiles and refinery output showed no increase from the previous week. If this week's inventory reports show the industry output is slipping behind demand, after growing for the past three weeks, pump prices probably will level off. If the fuel supplies show growth, then prices likely will continue to recede.

At $3.12, Oregon's average gasoline price falls to 16th highest in the nation. Hawaii has the nation's highest statewide average price at $3.41, followed by California and New Mexico at $3.23. Washington's average price is down to $3.16, Idaho's is $3.21 and Nevada's is $3.19. Nationwide, 27 states have average prices below $3, with South Carolina the lowest at $2.81. The national average diesel price held steady at $2.89 per gallon. In California, diesel averages $3.16 per gallon; in Washington it's $3.01; in Idaho, it's down to $2.92 and in Nevada it's $3.05. Oregon's average diesel price fell to $2.88.