

GAS PRICES

ARE DOWN AN AVERAGE 7 CENTS A GALLON
ACROSS THE UPSTATE AND COULD CONTINUE TO

DROP

STOCK

By David Dykes

Staff writer

ddykes@greenvilleonline.com

South Carolina native Dean Poteat remembers buying gasoline for 17 cents a gallon.

It was the early 1970s and he says he benefited from a price war between competing neighborhood gas stations.

Today, as an independent contractor for a local courier service, Poteat drives about 325 miles every day and fills up his tank daily.

Other contractors do the same and they all watch gas prices closely, he

said.

"We're all glad for it to be coming down, little by little," Poteat, 57, told GreenvilleOnline.com.

Gas prices have fallen about 5 cents a gallon across the Upstate in the last week, according to AAA's fuel gauge report Monday.

What's more, in the topsy-turvy world of energy prices, gasoline cost slightly less than it did a year ago, the report said.

That's a surprising development to Poteat and scores of other drivers trying to run household or company bud-

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Dean Poteat, an independent contractor for Professional Express Delivery, drives his own car about 325 miles every day and fills up his tank daily. HEIDI HEILBRUNN/STAFF

GAS IN THE GREENVILLE REGION

REGULAR

Current **\$3.620**

Week Ago **\$3.673**

Month Ago **\$3.629**

Year Ago **\$3.627**

MID-GRADE

Current **\$3.750**

Week Ago **\$3.796**

Month Ago **\$3.743**

Year Ago **\$3.741**

PREMIUM

Current **\$3.879**

Week Ago **\$3.917**

Month Ago **\$3.870**

Year Ago **\$3.871**

Source: AAA (Data from Oil Price Information with Wright Express)

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gets and determine how much to allocate for gasoline.

AAA's report said the average price of \$3.62 for a gallon of regular unleaded gasoline in Greenville, Spartanburg and Anderson was almost 24 cents below the national average. It also was a penny less than a month ago and slightly less than at the same time last year.

Prices are lower than they were a year ago in 11 states, according to the Oil Price Information Service.

AAA officials said Monday the national average was nearly \$3.86, but it's down from almost \$3.91 a week ago. Predictions of \$5 gasoline earlier this year

have — mercifully — evaporated.

Better yet, experts say gasoline could fall another nickel or more this week.

Tom Kloza, publisher and chief oil analyst at Oil Price Information Service, expects gasoline prices to drop to just above \$3.80 by late next week.

Stuart Hoffman, chief economist at PNC Financial Services Group, said the falling prices will put more money into the economy for Americans to spend elsewhere.

A 10-cent drop in gasoline prices would mean drivers would have an extra \$37 million per day to spend on other things.

Economists said the rise in gasoline prices had heightened fears about whether the run-up would threaten the economic re-

covery and how it would impact consumers.

"As fuel prices edge upward, household budgets are becoming strained not only through the higher direct fuel costs but also from higher food prices, since transportation costs make up a large proportion of food costs," Wells Fargo Securities economists Mark Vitner and Michael A. Brown said in a research report last month.

"With incomes rising modestly over the past year, higher gasoline and grocery costs are causing consumers to cut back on discretionary purchases," the economists said.

Motor-fuel expenditures as a percentage of disposable personal income stood at 3.3 percent, which was off its high last year, but still near earlier

problematic levels, Vitner and Brown said.

During the recession in 2008, as disposable income declined and fuel prices rose, the ratio stood around 4 percent, they said.

The price of oil dropped Monday on fresh concerns about Europe's economy.

Benchmark West Texas Intermediate crude was down 77 cents to close at \$103.11 per barrel on the New York Mercantile Exchange. Brent crude, which sets the price for oil imported into the U.S., lost 5 cents to finish at \$118.71 per barrel in London.

Prices declined after the European Union reported that government debts have risen despite aggressive attempts to slash spending, The Associated Press reported.

Futures prices, which are quickly reflected at the pump, have been falling this month. Government data show that money managers, hedge funds, pension funds and other institutional investors have been pulling back on bets that gasoline prices would rise.

For his part, Poteat doesn't understand how gasoline prices can change so quickly. He drives a "very fuel-efficient vehicle" and struggles to understand the relationship of gasoline prices to crude oil markets and oil futures.

But one thing he knows for sure.

"I'm so glad to see gas prices going down every little bit," Poteat said. "It helps us in this troubled economy because as gas prices go up, that means less money that we have for other things."