

California: Gas under \$2 in Bay Area, still closer to \$3 in Los Angeles

Cheapest gas

California drivers are finally cheering instead of hissing the price of gas, as dozens of Northern California stations are selling fuel for under \$2 a gallon -- the first time prices have dropped this low in eight years.

"It's about time," Ivan Rodriguez, of San Jose, said, smiling, as he lined up at the Gas & Shop at 1590 McKee Road to fill his beige Ford Focus at \$1.97 per gallon on Wednesday. Cars were three deep waiting for open pumps.

"Right now," a harried cashier said, "we're busy."

The Safeway in Sacramento and an Arco in Turlock were down to \$1.79 on Wednesday, according to GasBuddy.com. A gallon cost just \$1.83 at the Flying J in Lodi, \$1.95 at the Concord Arco on Monument Boulevard, and \$1.99 at the Costco across from Mineta San Jose International Airport and at Safeway on Hamilton Avenue in Campbell.



Pumping gas at a Costco, frequently among the lowest prices in a market. (Associated Press) (Gene J. Puskar)

And dozens more list prices just a few pennies above that \$2 mark.

California's average is \$2.47, still the highest in the nation but 39 cents lower than a month ago. Peel away much higher prices in Southern California, where \$2.70 is still the norm at many stations, and the average across the Golden State would be in the \$2.25 range.

Of course, the national average remains much lower, at \$1.72. That's 25 cents lower than a month ago. And consider this: Drivers in Jetmore, Kansas, can buy gas for less than \$1 a gallon as retailers try to get rid of excess supplies. Nearly one-third of U.S. stations are selling gas for less than \$1.50.

No kidding.

Advertisement

The reason: Crude oil is selling for about \$30 a barrel, yet a glut of oil continues to flood the world market.

That excess will grow as Iran starts pumping more fuel as the West lifted sanctions as part of last year's historic nuclear deal.

In addition, U.S. crude stockpiles are at their the highest level in more than 85 years. And U.S. gasoline supplies are at the highest weekly level going back to 1990, when energy officials began tracking that data.

"My guess is that crude oil will stay in the \$30 range for at least 2016," said Tom Robinson of Robinson Oil, owner of the Rotten Robbie gas station chain, adding that prices "could even drop lower" to \$20 a barrel.

Increased demand as spring approaches usually leads to price hikes at the pumps. But these are not usual times.

"This year, absent any major disruptions in supply or productions, the status quo may change as gasoline prices remain low," AAA spokeswoman Cynthia Harris said.

While that may sound like good news to motorists, they remain skittish about how long the good ride on gas prices can possibly last. Despite the cheap prices, San Jose motorist Rodriguez said he has no desire to size up to a roomier, sportier gas-guzzler.

"I want to save money," he said. "You never know when the prices will go back up."

Leon Gage, who delivers food for DoorDash, and spends \$20-\$25 dollars per day filling his tank, agreed. He drives a truck, but he says he wants a Prius.

"I don't need bigger," Gage said. "I need economical."

Indeed, if the fuel markets don't spoil the fun, the government is poised to step up. State officials have been talking about a new fuel tax, complaining that folks have done such a good job conserving gas that the current tax isn't keeping up with the cost of road repairs.

Ester Fernandez said she used to spend \$64 per week on gas but now spends \$40 to fill her Ford F-150. In the past, she carpooled to her work in Oakland because of high gas prices, but now, she can drive herself. She's grateful for that and hopes lawmakers don't make driving more expensive.

"Keep it lower," Fernandez said, "so people can afford to get gas."

For now, the low fuel prices have been a boon for auto dealers whose lots are filled with trucks and sport utility vehicles. At the Capitol Buick GMC dealership in San Jose, where SUVs and trucks account for 80 percent of sales, manager Steve Perez said sales have risen since this time last year. In January, the dealership sold about 175 cars, an increase of 20 percent.

"It's definitely a help," Perez said of the lower gas prices. His family owns a Yukon XL, and he said his wife called him in excitement this morning about the low cost to fill the tank.

"It's nice when it costs \$50, not \$80," he said.

Perhaps the most disgruntled drivers are in Southern California. The region has been slammed for the last year since an explosion at the ExxonMobil refinery in Torrance and still is not back up to full production.

"I feel like we live in two different states," said Jamie Court, president of the Santa Monica-based Consumer Watchdog, which tracks the state's volatile energy market, after seeing Los Angeles-area prices at \$2.65. "I don't think we are going under \$2. I don't think California gas pumps register under \$2."

Bay Area drivers, however, now know they do.

Follow Gary Richards at [Twitter.com/mrroadshow](https://twitter.com/mrroadshow), look for him at [Facebook.com/mr.roadshow](https://facebook.com/mr.roadshow), or contact him at mrroadshow@mercurynews.com. Contact Natalie Jacewicz at njacewicz@mercurynews.com.

Gas Under \$2

Dozens of stations are selling fuel for under \$2 a gallon, the first time prices have been this low in eight years. And many more are poised to join them any day.

- It's \$1.95 at the Costco on Monument Boulevard in Concord.
- The Gas & Shop on McKee Road in San Jose is at \$1.97.
- The Costco across from the San Jose airport is \$1.99

But the cheapest in the state, according to [GasBuddy.com](https://gasbuddy.com), is \$1.79 at an Arco in Turlock and a Safeway in Sacramento.