

Gas prices falling before holiday driving begins

By Steven E.F. Brown, San Francisco Business Times

AAA Northern California, Nevada & Utah said California gas prices have been falling and will likely continue to fall, a holiday boon for Golden State drivers.

The Emeryville-based auto club said Tuesday that California's average price for a gallon of gas is \$3.62, down 23 cents from the time of its last report on Nov. 13.

Despite the drop, California still has the fourth highest gas price in the United States – Hawaii has the highest at \$4, with a gallon in Wailuku costing \$4.06. The Golden State's average price is 29 cents higher than the U.S. average of \$3.33.

Bay Area prices are above the California average, at \$3.71 per gallon, but that's still down 27 cents from a month ago.

San Franciscans pay \$3.83 per gallon, down 22 cents from a month ago, while those across the bay in Oakland are paying \$3.68, down 27 cents from a month ago. Skiers up in South Lake Tahoe will find gas costs \$3.60 per gallon.

Cynthia Harris of AAA said low demand and high supply are driving the decrease. Though demand will go up slightly during the holidays, overall demand is expected to stay low into next year, which should keep prices low.

Modesto has the cheapest gas in the state, at \$3.40 per gallon. Eureka has the highest, at \$3.88.

Missouri has the lowest price of any state, at \$3.03 per gallon.