

Where are the lowest gas prices at the Shore?

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Low gas prices at the BJ's on Lanes Mill Road and Route 9 in Howell.(Photo: Tom Spader/Staff Photographer)

Story Highlights

- Several Shore-area gas stations are selling regular for less than \$2 a gallon.
- The last time gas prices were this low? May 2009.
- It took a while, but what went up (gas prices) finally came down.

Realtor Dan Surman recently reached into his wallet, pulled out a Wawa debit card, paid for gasoline and noticed something strange. He had enough money left over to go inside and buy a sandwich.

"With gas prices coming down, it's been a relief in my wallet," said Surman, who, as a Realtor with Keller Williams in Marlboro, drives on average 100 miles a day.

Oil prices have plummeted at the end of the year, giving an unexpected break to New Jersey consumers who long have been stretched thin. Costco in Brick, BJ's in Howell, and Gulf and Delta stations in Lakewood, all were selling gasoline on Tuesday for \$1.95 a gallon, according to GasBuddy.com.

Analysts say it isn't your typical seasonal swing. Prices could continue to fall through January — and again next spring if OPEC countries decide they want to hold onto their market share and don't cut production. And

although experts don't advise motorists to trade in their fuel-efficient Prius for an SUV, they predict \$2-a-gallon gasoline will be more common in 2015 than \$3-a-gallon gasoline.

"I think this is kind of an extraordinary time for gasoline prices," said Craig Copeland, the owner of [Craig's Service Center](#) in Middletown. "It's been such a huge downward spiral for so long, for so many months, every time I think it's bottomed out, it's just going lower."

What goes up must come down, but with gasoline prices, no one was sure. After all, it wasn't that long ago that [experts were predicting](#) \$5-a-gallon gasoline. And even as recently as November (that's last month), New Jersey motorists were paying on average \$2.70 a gallon, according to AAA.

Since then, prices have fallen another 14 percent. The average price on Tuesday in New Jersey was \$2.31 a gallon, the cheapest since May 28, 2009, [according to AAA](#).

The big difference? The country back then was in the middle of the Great Recession. The Dow Jones industrial average was 8,403. The Dow on Tuesday closed at 17,983. New Jersey's unemployment rate then was 9 percent and heading higher. The unemployment rate last month was 6.4 percent.

Yet supply of crude oil is outpacing demand. The U.S. is producing 9.1 million barrels of oil a day, the most on a record that goes back to 1983, according to [the U.S. Energy Information Administration](#). And OPEC, a group of [12 oil exporting countries](#), last month declined to lower production.

Its motives aren't clear, said Patrick DeHaan, senior petroleum analyst at GasBuddy.com. Maybe it wants to maintain market share. Maybe it wants to hurt oil producing countries like Russia.

"What that has done is something that is unheard of," said Sal Risalvato, executive director of the [New Jersey Gasoline, Convenience, and Automotive Association](#), a trade group that represents retailers. "If (OPEC) turns off the spigot, then the customers they have in the worldwide market will simply purchase from North American suppliers and then they lose customers."

"The competition is taking place at the source," Risalvato said.

It's a battle for market share that the world hasn't seen since the late 1990s, said Tom Kloza, global head of energy analysis for [Oil Price Information Service](#) in Wall.

Aside from an unforeseen geopolitical crisis, prices could continue to inch lower until February, when refineries will begin to produce cleaner-burning fuel for the summer. But even that might be short-lived, Kloza said, if OPEC decides again to keep oil production humming.

"It's very, very difficult to look at 2015 and come up with a scenario that significantly tightens supply," Kloza said.

The downside is that the energy boom that has aided the economic recovery in states like North Dakota, Texas and Pennsylvania could slow down. But when it comes to energy production, New Jersey is on the sidelines.

"The principal economic beneficiaries of this will be consumers, who will enjoy what amounts to a meaningful tax cut," Mark Zandi, an economist with [Moody's Analytics](#), wrote in a recent report. "In the U.S., this is expected to equal close to \$100 billion in 2015."

Meaningful, indeed. Surman at [Keller Williams](#) fills up his Toyota Corolla at least twice a week and jokes that he feels like he lives at the gas station.

He budgeted his expenses for next year and penciled in gasoline at \$3 a gallon. If it falls short of that, he figures it will be a windfall he can use to eat healthier food. But he remains cautious, knowing that gas prices can change course — and fast.

"Even though gas is low at this point in time," he said, "who knows where it will be three months, six months or a year from now?"

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