

Gasoline Price Drops to 3-Month Low

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WASHINGTON — U.S. retail gasoline prices fell to their lowest level in three months and the cost of diesel fuel dropped below \$2 a gallon for the first time in 12 weeks, the Energy Department said Monday.

The national pump price for regular unleaded gasoline declined 6.4 cents over the last week to \$1.847 a gallon, up 38 cents from a year ago, according to a survey of service stations by the Energy Information Administration.

The EIA, the Energy Department's analytical arm, also said the average price truckers pay for diesel fuel declined 7.2 cents to \$1.997 a gallon, the lowest level since late September but up 51 cents from a year ago.

Pump prices are likely to continue falling thanks to lower crude oil costs and growing petroleum inventories. The price for U.S. oil, which accounts for about half the cost of making gasoline and diesel fuel, has fallen about \$15 a barrel since hitting a record high of almost \$56 in late October.

The EIA's weekly survey showed the retail price for cleaner-burning reformulated gasoline, sold in polluted metropolitan areas, fell 5.4 cents to \$1.948 a gallon.

The West Coast had the most expensive regular unleaded gasoline, with the price down 5.4 cents to \$2.066 a gallon. Los Angeles topped the agency's city survey of gasoline costs, with the price falling 3.4 cents to \$2.18 a gallon.

The Midwest states had the cheapest fuel, with the price down 10.3 cents to \$1.729 per gallon. Among major U.S. cities, Houston had the best deal at the pump at \$1.748 a gallon, down 2.8.

The weekly report also showed gasoline prices were down 1.3 cents to \$2.019 in Miami, down 2.9 cents to \$1.942 in New York City, down 4.1 cents to \$1.928 in Seattle, down 10 cents to \$1.829 in Chicago, and down 10.3 cents to \$1.709 in Cleveland.

Separately, truckers in the New England states paid the most for diesel fuel at \$2.206 a gallon, down 2.8 cents from the prior week. The Gulf Coast states had the cheapest diesel at \$1.91 a gallon, down 8.5 cents.

1. What was national pump price for regular unleaded gasoline in December 2003?
2. According to the EIA how much was diesel fuel one year ago?
3. Why are pump prices are likely to continue falling?
4. How much more is gasoline in Los Angeles compared to Houston?
5. What is the average price of gasoline among the following major cities; Miami, New York City, Seattle, Chicago, and Cleveland?
6. What major city has the closest resemblance to the average found in question # 5?