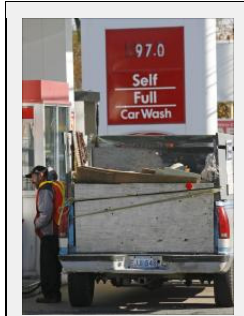


Fill 'er up

Gas drops to 98¢ in province, 97¢ in Halifax

By CHRIS LAMBIE Staff Reporter

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A station attendant gasses up a truck on Bayers Road in Halifax on Friday. The price of gas broke below the dollar mark for the first time in many months. (PETER PARSONS / Staff)

There was a time not so long ago when the prospect of buck-a-litre gas would have had drivers looking out their windshields for other signs that the sky was falling.

Now, with the price for self-serve regular gas falling to 97 cents a litre at many outlets in Halifax, and 98 cents in both Truro and Yarmouth on Friday, it's almost as if drivers feel they should be celebrating.

"There was a time that, if it went (up to) anywhere near a dollar, we'd go into a panic mode," cabbie Don Roach said as he drove the streets of Halifax. "Now it's 97 cents and we're all supposed to be happy."

But the Casino Taxi driver said the succession of weekly price drops, the latest of which occurred at 12:01 a.m. Friday, is making a difference in his bottom line.

"There is a few dollars more to be made," he said. "But I'll never buy a car that's hard on gas again, ever. (The price is) so unpredictable."

Mr. Roach drives a 2005 Dodge Caravan, which has room for six passengers. He figures he'll eventually replace it with a midsize Toyota Camry.

"I'll go probably for something a little better (on fuel efficiency) next time," he said.

Mr. Roach said he can't put a finger on why gas has dropped below a dollar a litre now, after peaking at near \$1.50 in the spring.

"I just watch it go up and down, I can't understand how and why," he said. "It seems to go down a lot slower than it goes up, anyway."

Ian Wilson, president of Wilson Fuel Co. Ltd. in Truro, said customers' responses to the price drops can be amusing.

"We kind of chuckle a bit about people's reaction to the price of a dollar (per litre) because if you wind it back two years ago, people were probably ready to lynch us at the gas station for prices that were poking up near a dollar," Mr. Wilson said.

Now that prices have dropped below that mark, it will be interesting to see how consumer behaviour is affected, he said.

"How many people now see a lower price and say, 'Phew, well, I was going to put off buying that big sports car with the V-8 engine and hundreds of horsepower and buy a little fuel-efficient mini-car, but now I don't have to follow through on that. I'll go back to driving my giant road rhino.' "

Roger McKnight, a senior petroleum adviser with En-Pro International Inc. in Oshawa, Ont., said he expects gas prices to continue to fall in the short term.

"The demand numbers in the U.S. have been down for 27 weeks in a row," he said. "If there's no demand for a product, then there's no pressure to increase prices."

Mr. McKnight, whose company advises the transportation sector and other industries on fuel hedging strategies, expects prices to climb again in the spring.

"The U.S. inventories of gasoline are at the lower limit of the five-year average, and if the oil companies start cutting back on refinery runs because there's no demand, then if you think the prices were high this spring, well, they're going to be about the same level next spring," he said.

"The whole key to it is the U.S. economy. If the U.S. economy turns around, then demand will go up and prices will go up because people will want to drive again."