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### **GAS PRICES HIT RECORD IN VALLEY AT \$2.48 A GAL.**

*Erica Sagon, The Arizona Republic*

*Staff writers Jessica Coomes and Corinne Purtill contributed to this article.*

Valley drivers will hit a milestone this weekend: They'll spend the most they ever have on a tank of gas.

And the average price per gallon of regular in the Valley is likely to hit \$2.50 within days.

But talking about gas prices was a little like talking about the weather on Friday. Most drivers said there is not much you can do about it.

"It's better than walking," said Mary Ann Schumann, who spent \$47 to fill her 18-gallon tank in Scottsdale on Friday.

Nationally, a new Associated Press-AOL poll said that Americans are increasingly worried about the impact gas prices will have on family finances in coming months. Two-thirds of those surveyed said they expect energy prices to pinch family budgets, fears that have grown more widespread since the spring, when half of the people felt that way.

In Phoenix, budget-driven Amy Wing, who spent \$35.16 filling up at a Circle K on 24th Street and McDowell Road, said soaring gas prices were reason enough to nix a trip to see relatives in Yuma.

"It has put a little crimp in our lifestyle because now, a simple trip to see Grandma is an enormous expense," Wing said.

The pain at the pump isn't likely to ease soon. Crude-oil prices jumped an additional \$1.06 Friday, hitting a record for the fifth day in a row, trading as high as \$67.10 a barrel and closing at \$66.86 on the New York Mercantile Exchange. As those increases make their way through the pipeline, retail prices will continue to grow.

Gas prices hit a record high across metropolitan Phoenix on Friday, with a gallon of regular unleaded gas costing \$2.48, according to AAA. Scottsdale had the Valley's highest average, at \$2.50 a gallon.

The statewide average was \$2.49, Friday, up from \$2.36 a month ago and \$1.90 a year ago.

The national average hit \$2.40 this week, compared with \$1.86 a year ago.

Nearing the \$2.50 benchmark has Valley residents trying ways to cope: from driving less and carpooling to buying hybrid cars and adjusting spending budgets. Others have started to take the bus or shop at discounters to cut costs in other ways. People are canceling road trips, whether they're going cross the Valley or the country.

"I feel sorry for the people who are barely making it, and the gas prices go up," Schumann said. She has taken to delaying her trips to the gas station until the empty light on her Mercedes glows. On Friday afternoon, she spent \$47 at the Union 76 station on Indian Bend Road near the Loop 101. Drivers there were paying \$2.57 a gallon.

Steve Waldrip of Glendale sold his Ford Expedition a year ago and laughs when he thinks about how much he'd spend to fill it up today.

"I think it's a good time to drive an economy car," said the 39-year-old communications technician, who spends \$30 a week filling his small Honda.

But it's worth putting today's prices into a historical perspective, said Debra Roubik, chief economist for VisionEcon, an economic consulting firm in Glendale.

"Yes, things are out of whack, but we have been through worse," Roubik said.

Economists point out that when adjusted for inflation, gas prices are not at their peak. The American Petroleum Institute said that today's fuel costs are actually lower than in 1981. Gas then was \$1.35 per gallon, which would equal \$2.69 in today's dollars.

But today's dollars are what 19-year-old Leonard Durham of Phoenix has in his pockets.

To reduce the shock, he buys gas in \$4 spurts, three or four times a week.

Yet he is no bargain shopper when it comes to fuel; he'll stop at whatever station is most convenient. "All of them are so expensive to me," Durham said.

Switching from premium to regular gas has saved some money for Steve Froemming, who paid \$38 for 15 gallons Friday at a station on Indian Bend near Loop 101.

"It sounds really expensive, but ... it's not the end of the world," said Froemming of Scottsdale.

Economist Roubik said the Valley's real estate boom has taken some of the sting out of soaring fuel prices.

"Here in Phoenix, because our economy is doing so well, we don't feel it as bad," Roubik said.

People don't seem to be making dramatic adjustments to their budgets, said David Fernandez, a certified financial planner at Wealth Engineering LLC in Scottsdale.

"No one is saying a word about it," Fernandez said. "No one's blinking an eye. Right now, everyone feels rich ... but, eventually, it's going to hit us."

For small businesses, the gas price pinch can be felt right down to their profits.

Ricardo Torres, owner of Ricardo Custom Painting, says the increasing cost of gas has eaten into his profits. He now spends \$140 to \$150 a week filling up his Dodge pickup to drive to jobs in Ahwatukee Foothills and Gilbert, while he used to spend \$100. Fearful of losing customers, he has resisted passing along the costs in higher prices.

"If I raise my prices, I can lose my customers," he said. "A lot of people, they don't like that."

Glenn Jones of Gilbert filled up his Mercedes at the Circle K at 16th Street and Indian School Road where regular unleaded went for \$2.51 on Friday.

Jones knows he can find cheaper prices, probably just a few blocks away, but convenience trumped the savings.

"I was just in the area," said Jones, 34.

Nancy Ownstott of Scottsdale said prices are ridiculous, but they aren't changing her lifestyle.

"I'm still putting gas in my car," Ownstott said. "I drive a big Mercedes S600, but that hasn't deterred me. I gotta get where I gotta go."

CAPTION: 1) Erminda Hernandez fills up at a Circle K at Seventh Street and Thomas Road in Phoenix on Friday afternoon. Gasoline prices have been soaring in the Valley as they follow crude-oil prices to record highs. CAPTION: 2) Gas costs highest in West CAPTION: 3) Gas prices CAPTION: 4) Big vehicle, small vehicle CAPTION: How much it costs to fill 'er up in Phoenix, where gasoline averaged \$2.48 per gallon on Friday.