

# The Bradford Era



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## Gas prices continue to rise

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Another day, another increase in gas prices — that's what it seems like lately.

On Thursday, American Refining Group increased the price it pays for

Penn Grade Crude oil to \$127.50 per barrel — an increase of \$15.25 over the same time last month.

Concerns about falling supplies and rising demand are expected to keep propelling prices higher in the days and weeks to come.

"I can say that the price is largely being driven upward by demand," explained Steve Rhoads, executive director of the Pennsylvania Oil and Gas Association. "I don't know what's driving it today.

"It's a supply and demand issue," he

said, "and impact on the price comes from the value of the dollar slipping. There's an increasing demand domestically for refined products."

Oil's surge is contributing directly to the pain consumers feel every time

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### Prices

they fill up at the gas pumps. Prices are 61 cents higher than a year ago.

Unlike last year, oil prices are setting new record highs on a daily basis. That's pushing gas prices higher, and analysts see no reason for gas not to follow. Is there an end to the increasing costs in sight?

"Who knows?" Rhoads said. "I think that sooner or later you'll start to see some significant impacts on sectors of the economy that rely heavily on oil products. When that happens, you'll see some changes."

Pressure from impacted industries will begin to drive prices down, Rhoads predicted. However, he cautioned, there are a lot of factors on an international playing field that need to be considered.

"This is a global market," he said. "What happens in the United States can be offset by activity in other parts of the world."

Rhoads said China and India in particular have high demand because of economic growth. And currently, while China recovers from earthquakes, demand is higher because of generators necessary for power, according to the Associated Press.

While the high prices for oil are creating an economic boon for the oil industry, it isn't all a rosy picture.

"We have to live with the same prices everyone else does," Rhoads said, remarking on high costs for gasoline and oil-related products. "It affects the oil and gas industry too.

"The price of oil has a much larger effect than people understand on the operation aspects of any industry," he said. "The fortunate thing, for extraction-side of the industry, is that the dollars coming in go back into drilling, creating more supply, to ease the burden of demand."

Rhoads said of the local producers, "We can help make a contribution to make the (supply greater). Our contribution is very small in the overall picture of things."

*The Associated Press contributed to this report.*