

## LOCAL

# Who's really fixing the price at the pumps?

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Before Hurricane Ike's path of destruction was officially mapped, gas stations around Kings Mountain were running low and the price at the terminals was running high.

Fourteen refineries in Texas and Louisiana, with a total operating capacity of 3.6 million barrels per day, had ceased operations a couple of weeks ago. And when the oil stopped flowing, the prices starting rising. Although a barrel of OPEC crude oil was exchanging for less than \$100 on Thursday, gas station owners were beginning to witness prices of record highs.

When the word about refineries shutting down reached the ears of the motoring public, many made a beeline to fill up, forcing some stations to buy more fuel at higher prices, some to post 10-gallon limit signs for all transactions and even others to cover nozzles with out-of-

order bags. Two station owners, who agreed to speak only on the condition of anonymity for protection, had different opinions on the matter.

Both of the owners receive a daily fax from their distributors detailing the price they would have to pay for fuel supplies. "Yesterday we got a thing that says we were going to have to pay \$4.55/gallon," one store owner said on Thursday.

The cost of a barrel of oil had lowered and so had the projected cost of gasoline. He said that he called his distributor and questioned the price. "So then they faxed us a corrected sheet, which was less than \$4 a gallon," he said, adding that they told him it would probably be two weeks before they could bring the store any more supplies.

After the refineries shut down, the terminals, which sell gasoline to the distributors, who in turn sell the product to gas stations, were limiting

tanker loads on Thursday. The store owner said that he has the option of only purchasing his fuel from three or four local distributors, who he alleges work together in controlling the price at which they sell to station owners.

"A few years ago we got aggravated because our price was always higher than everybody else's and then, when you tried to get another gas company, they wouldn't even talk to you because they all work together," the owner said. "Whatever they pay the terminal, they tack on a percentage...I don't know who determines the price at the terminal. But from what I understand (our distributor) gets from more than one terminal."

It was unknown at press time how heavily supplied the local bulk petroleum terminals were before the major refineries shut down in the Gulf. But the store owner accused the terminals of "sitting on their supplies" to

raise the price until more stations ran out of gas. "Then you can run it up to \$4.50 a gallon and they're going to pay it because they've got to roll," he said. "It's gouging the public...The day before they ship it, (the price) goes up. The day after they ship it, it goes right back down. Now what does that tell you...It's like the mafia."

The local distributors facing this owner's masked accusations are Petroleum World, Royster Oil Co. and Ray Thomas Petroleum.

Ray Thomas said that the accusation of him working with other distributors to set the price of fuel sold to local stations is "absolutely incorrect."

He said that when he started his business back in 1994 he and other local distributors were faced with similar accusations. "A federal grand jury was accusing us of price fixing," he stated on Tuesday. "We make it a point not to even talk to each

other (now). We're competitors."

He said that the similarity they do share is that the three companies "all market in the same area."

Thomas added that one of the main reasons the prices have increased is, "We're having to put premium gasoline into regular tanks right now to keep people rolling."

"People were running out of gas everywhere. Exxon Mobile charged me \$5.21/gallon (for) over 12,000 gallons (on Saturday)," he said. "We lost over \$1/gallon on that."

When others were forced to pay \$4.29 at the pumps, he said, that they had to pay \$5.21 to bring it to them. "The major oil companies are making the big bucks," he added. "We're the ones who bear the brunt of everything as jobbers."

Petroleum World and Royster Oil could not be reached in time for comment.

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