Weekly Gasoline Report

The Gasoline Report is a roundup of consumer gasoline prices from across Ontario and Canada. The graph shows price trends for three Ontario cities for the previous 12 month period. The report and graph are updated weekly.

This week's Gasoline Report is for the week ending January 2, 2006

The Ontario average retail price of regular unleaded gasoline declined for the second straight week, by 2.2 cents to 86.6 cents a litre, largely in response to lower wholesale prices.

Prices fell by 3.7 cents from a four-month high in North Bay, 3.6 cents in Sault Ste. Marie (from a four-month high), 3.5 cents from a four-month high in Sudbury, 3.1 cents in London, 2.7 cents in Toronto West, 2.3 cents in Ottawa, 2.0 cents in both Toronto East and Timmins (the latter from a four-month high), and 0.9 cents in Thunder Bay (from a three-month high). Prices rose by 1.2 cents in Windsor, but remained the lowest in our survey for the fifteenth straight week. The average price gap between northern and southern Ontario narrowed slightly, from a nine-month high of 7.7 cents to 7.3 cents. The Ontario average retail diesel price, after increasing five straight weeks, declined by 0.7 cents from a three-month high to 90.7 cents.

The Canadian average retail gasoline price declined for the second straight week, by 0.5 cents to 91.8 cents. Prices fell by 4.0 cents in Quebec City (from a four-month high), 2.3 cents in Toronto, and 0.5 cents in Vancouver (from a four-month high). Prices rose by 1.8 cents in Saint John (to a three-month high), 1.5 cents in Halifax (to a four-month high), 1.3 cents in Montreal, and less than a cent in Winnipeg (to a three-month high) and Edmonton (to a four-month high). The Canadian average retail diesel price increased for the fifth straight week, by 0.7 cents to 98.6 cents, a four-month high.

Gasoline marketing margins declined in five of six Ontario cities in 2006, indicating a slight increase in local competition, according to a Ministry of Energy analysis.

Hamilton was the most competitive retail gasoline market for the second straight year with an average margin of 3.5 cents a litre, down from 4.0 cents in 2005. London was the next most competitive with a margin of 4.3 cents, unchanged from the year before, followed by Toronto at 4.5 cents (down from 4.7 cents) and Ottawa at 5.2 cents (down from 5.3 cents). The two northern markets, Sault Ste. Marie and Thunder Bay, which since 2000 have had the highest margins, averaged 5.8 cents and 8.1 cents, respectively, compared with 7.3 cents and 8.2 cents in 2005. On three occasions in Sault Ste. Marie, margins turned negative, reaching a nadir of -5.2 cents on June 5, but this happened not at all in Toronto, Ottawa, or Thunder Bay and only once in Hamilton and London. The highest recorded margin, 17 cents, occurred in Thunder Bay on Sept. 11 during a 13-week stretch when margins never fell below 10 cents. Margins (pump price minus the wholesale or rack price) are the amount available to the dealer to cover operating costs and provide a return on investment (Ministry of Energy).

The table and graphic on the next pages show this week's gasoline price trends.

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Market	December 27	January 2	+/-
Ottawa	90.6	88.3	-2.3
Toronto West	87.7	85.0	-2.7
Toronto East	87.6	85.6	-2.0
Windsor	79.3	80.5	1.2
London	90.6	87.5	-3.1
Sudbury	91.5	88.0	-3.5
S. Ste. Marie	95.2	91.6	-3.6
Thunder Bay	99.2	98.3	-0.9
North Bay	92.9	89.2	-3.7
Timmins	99.9	97.9	-2.0
Ontario Average	**88.8**	**86.6**	**-2.2**

Market	December 27	January 2	+/-
St John's NF	103.6	103.6	0.0
Charlottetown	98.9	98.9	0.0
Halifax	98.1	99.6	1.5
Saint John NB	93.5	95.3	1.8
Quebec City	103.4	99.4	-4.0
Montreal	94.4	95.7	1.3
Toronto	87.7	85.4	-2.3
Winnipeg	89.5	89.8	0.3
Regina	95.5	95.5	0.0
Edmonton	85.3	85.5	0.2
Calgary	86.4	86.4	0.0
Vancouver	106.7	106.2	-0.5
Canada Average	**92.3**	**91.8**	**-0.5**

Source: Ontario Ministry of Energy; MJ Ervin & Associates

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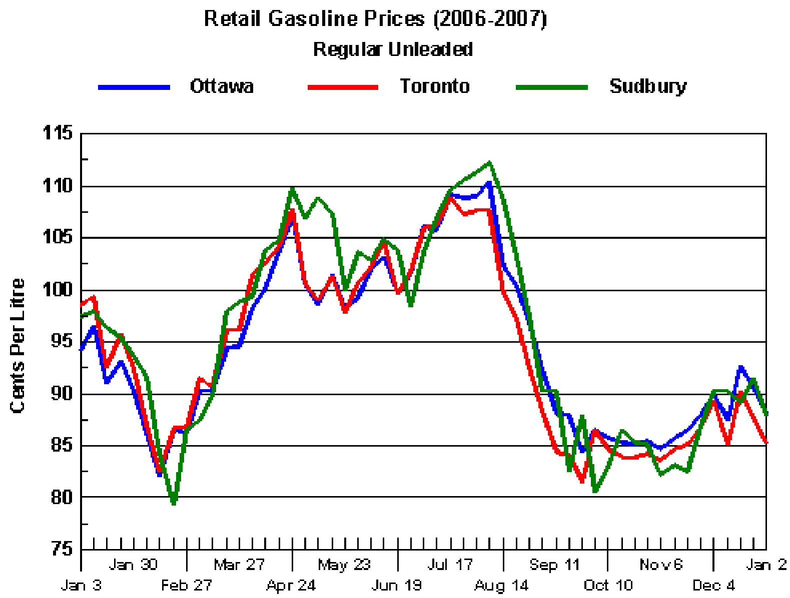

Source: Ontario Ministry of Energy; MJ Ervin & Associates