

Gasoline Report

a weekly summary



FOR THE WEEK ENDING FEBRUARY 23, 2009

- o **Lower North American wholesale prices, coupled with local price war activity, caused the Ontario average retail price of regular unleaded gasoline to decline for the third straight week, by 3.7 cents to 79.2 cents a litre, a six-week low.** Prices fell by 4.1 cents in Ottawa (to a six-week low), 4.0 cents in Sudbury and Toronto (the latter to a six-week low), 3.9 cents from a three-month high in Sault Ste. Marie (to a four-week low), 3.9 cents in North Bay, 3.7 cents in London (to a six-week low), 3.3 cents in Thunder Bay (from a three-month high), and 1.0 cents in Timmins (to a four-week low). Prices rose by 1.3 cents in Windsor (from a four-week low). The average price gap between northern and southern Ontario widened for the third straight week, from 7.7 cents to 8.0 cents, a two-month high. The Ontario average retail diesel price declined for the third straight week, by 2.7 cents to 82.9 cents, the lowest since March 2005. **The Canadian average retail gasoline price, after increasing three straight weeks, declined by 4.6 cents from a three-month high to 82.5 cents, a six-week low.** Prices fell by 5.7 cents in Toronto (to a six-week low), 5.3 cents in Edmonton (to a six-week low), 5.2 cents in Vancouver (to a six-week low), 4.3 cents in Halifax, Montreal (to a four-week low), and Regina, 4.0 cents in Quebec City, 3.9 cents in Calgary (to a six-week low), 3.1 cents in Charlottetown (to a four-week low), 1.0 cents in Winnipeg, and 0.9 cents in Saint John. The Canadian average retail diesel price declined for the fifth straight week, by 2.4 cents to 84.4 cents, the lowest since February 2005.
- o **All new vehicles will have some degree of hybridization by 2020, according to a survey of 125 executives by the IBM Institute for Business Value.** Lithium-ion batteries are the most promising technology, and the all-electric, plug-in hybrid will become a reality by 2020. Technological progress and sustainability will be the automotive industry's top priorities in 2020. Only a small proportion of new vehicles will be fuel cell vehicles, given the need to generate, transport, store, and distribute hydrogen efficiently; the cost of building a new infrastructure may be prohibitive, at least by 2020. Fossil fuel-based vehicles will account for 67% of new vehicle production by 2020, emitting an average of 97 grams per kilometre of CO₂ and being 88% recyclable (GreenCarCongress).
- o **Transit buses running on B20 biodiesel got 1.7% poorer fuel economy than conventional diesel buses, but were otherwise comparable in reliability and maintenance costs, according to a study by the National Renewable Energy Laboratory.** The 12-month study, conducted in St. Louis, showed that the eight Gillig buses running on B20 got 3.52 miles per gallon, while the seven buses running on ultra-low-sulphur diesel got 3.58 mpg. The B20 buses had a higher incidence of fuel filter and fuel injector replacements, but this was not due to any fuel quality problems. The study will continue into this year (GreenCarCongress).
- o **Nissan says its latest fuel cell stack has twice the power density of the previous generation, allowing for a one-third reduction in size and a 35% reduction in cost.** The new stack incorporates a thin metal separator in place of the previous carbon separator, resulting in a more densely-packed cell structure, and the use of platinum has been reduced by 50% due to more durable electrode material. The new stack's power output has been boosted from 90 kW to 130 kW, enough to power a larger vehicle (Octane Week).
- o ***Miscanthus x giganteus*, a perennial grass, could provide enough ethanol to displace 20% of U.S. gasoline consumption, while using only 9.3% of current agricultural land, according to a study by the University of Illinois.** Using corn or switchgrass to produce the same amount would require 25% of U.S. cropland. *Miscanthus* converts about 1% of sunlight into biomass, and is more than twice as productive as switchgrass (GreenCarCongress).
- o **Carbonaceous nanoparticles emitted by diesel engines and other combustion sources can get trapped in the lungs and inhibit the function of lung surfactant, according to a University of Michigan simulation.** Current U.S. and European legislation regulates particles of 2.5 microns and larger, but the UM simulation looked at particles that are as much as 1,000 times smaller (American Chemical Society, GreenCarCongress).

Retail Prices

Regular Unleaded Gasoline **(Canadian Cents/Litre)**

Ontario	<u>Feb 17</u>	<u>Feb 23</u>	<u>+/-</u>
Ottawa	79.0	74.9	-4.1
Toronto West	83.0	79.1	-3.9
Toronto East	83.1	79.1	-4.0
Windsor	80.5	81.8	1.3
London	82.7	79.0	-3.7
Sudbury	86.8	82.8	-4.0
Sault Ste. Marie	89.7	85.8	-3.9
Thunder Bay	93.4	90.1	-3.3
North Bay	86.5	82.6	-3.9
Timmins	<u>90.9</u>	<u>89.9</u>	<u>-1.0</u>
<i>Ontario Average</i>	82.9	79.2	-3.7

Canada	<u>Feb 17</u>	<u>Feb 24</u>	<u>+/-</u>
St. John's, Nfld	93.9	93.9	0.0
Charlottetown	86.5	83.4	-3.1
Halifax	88.6	84.3	-4.3
Saint John, N.B.	83.8	82.9	-0.9
Quebec City	92.4	88.4	-4.0
Montreal	87.5r	83.2	-4.3
Toronto	83.2	77.5	-5.7
Winnipeg	86.7	85.7	-1.0
Regina	93.9	89.6	-4.3
Edmonton	83.1	77.8	-5.3
Calgary	83.9	80.0	-3.9
Vancouver	<u>98.1</u>	<u>92.9</u>	<u>-5.2</u>
<i>Canada Average</i>	87.1r	82.5	-4.6

Source: Ontario Ministry of Energy & Infrastructure; MJ Ervin & Associates

Rack Prices

Regular Unleaded Gasoline **(Canadian Cents/Litre, Ex-Tax)**

<u>Date</u>	<u>At Toronto</u>	<u>At Buffalo</u>	<u>Differential</u>	<u>Exchange (U.S.¢)</u>
Feb 13	49.23	46.97	2.26	81.03
Feb 20	44.23	41.94	2.29	80.04

Source: Bloomberg Oil Buyer's Guide, Globe & Mail

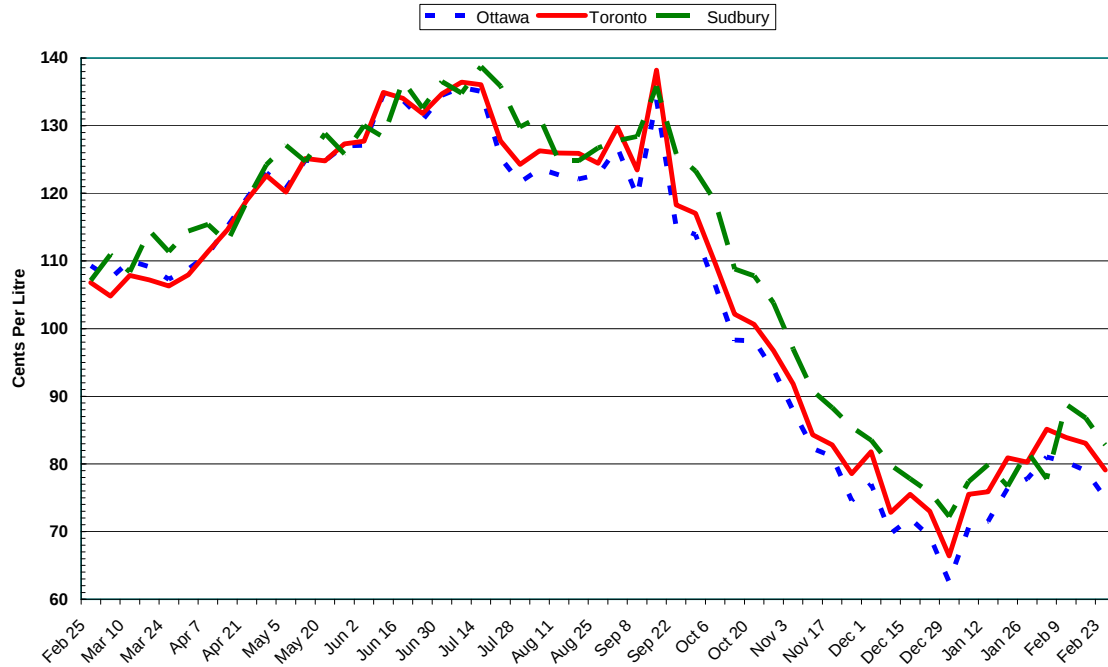
Futures Prices

Petroleum Futures Prices

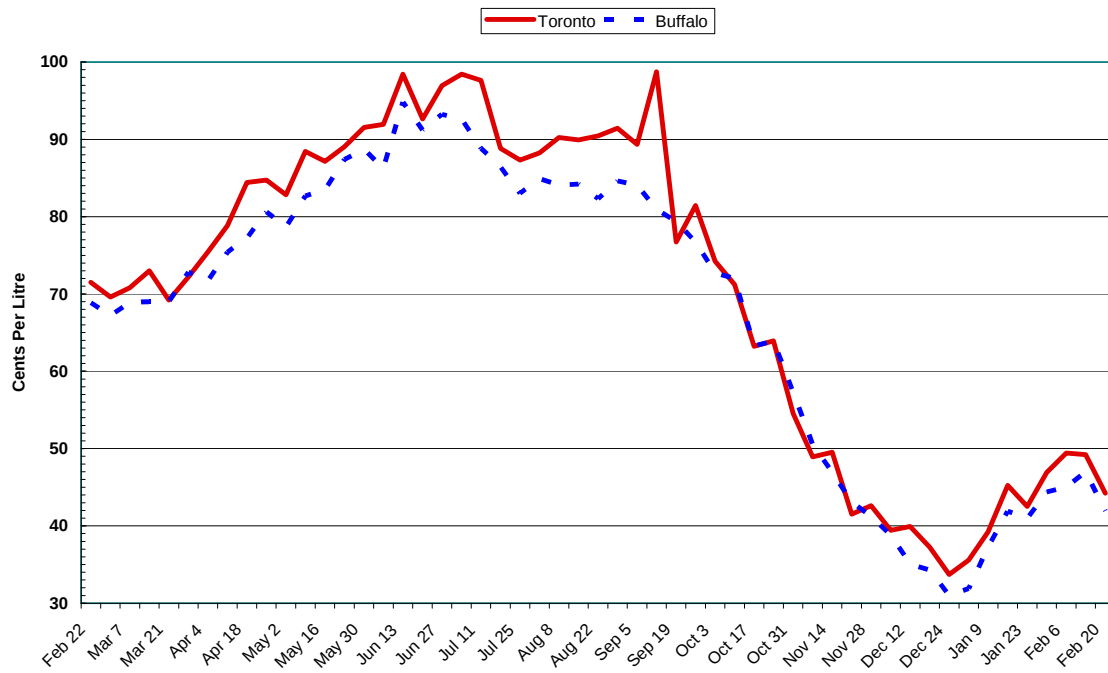
<u>Date</u>	<u>WTI Crude (NY) (US\$/bbl)</u>	<u>Reg.Unleaded RBOB (NY) (USc/USgal)</u>	<u>Crack Spread (US\$/bbl)</u>
Feb 13	37.51	120.63	13.15
Feb 20	38.94	107.46	6.19

Source: Globe & Mail

Retail Gasoline Prices (2008-2009)
Regular Unleaded



Toronto/Buffalo Rack Prices (2008-2009)
Regular Unleaded



Petroleum Futures Prices (2008-2009)
RUL Gasoline (RBOB), WTI Crude Oil

