



Kelowna 250-869-8487 or Vernon 250- 275-4956
November 2011 Energy Update - Edition 86

Price Trends

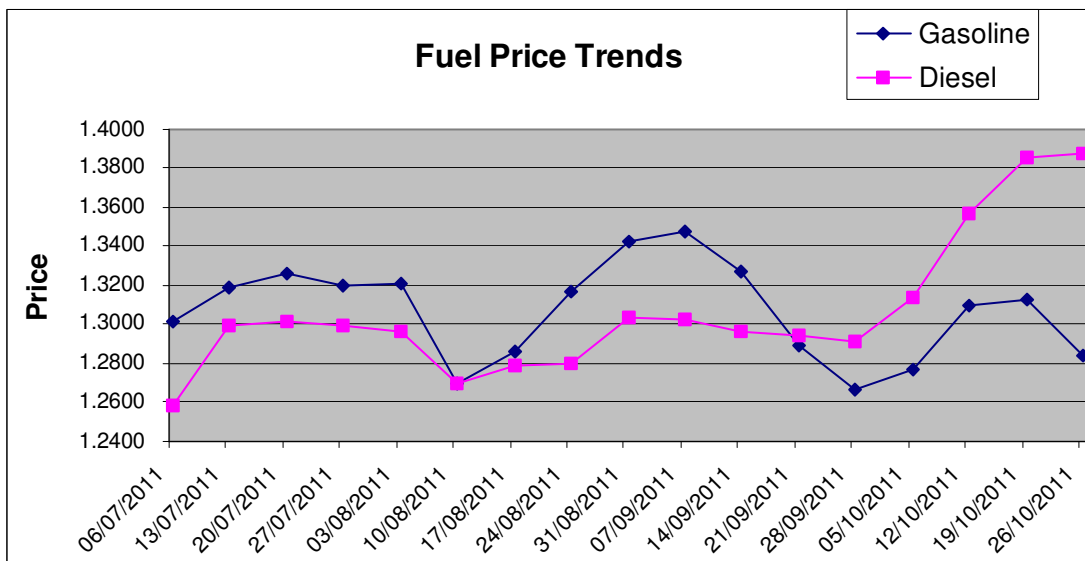
Remember the days when Diesel was “always” slightly cheaper than gasoline? Take a look at the chart below, and you will see those days are gone for the moment. Diesel is always in a little more demand as the cooler weather and summer driving habits fade for another year. As you can read below, a moderate diesel shortage is occurring right now, and the price reflects that shortage. At the moment, 4 different refineries are undergoing maintenance, 3 of them planned outages, and one (the largest) “unplanned”, corporate jargon for a possible accident or fire. Here is the story from Reuters news.

“Suncor said it is in the process of restarting a unit at its 260,000 barrel per day northern Alberta oil sands plant, which supplies diesel into the wholesale market, after an unplanned outage. Suncor would not say how much diesel the plant is able to produce.

Petro-Canada’s 135,000 bpd Edmonton refinery has been in a major turnaround since this summer to tie in new equipment as part of a C\$2.4 billion (\$2 billion) refit. It is expected to start up around the end of this month.

The company has implemented three initiatives to cushion the impact of tight diesel supplies, Petro-Canada spokeswoman Sneh Seetal said.

They include importing the fuel from outside the area, making sure the largest retail sites are given priority on supplies and managing how much diesel it delivers to the sites, Seetal said. Imperial is starting maintenance on a unit at its 187,000 barrel a day Strathcona refinery at Edmonton. It started rationing diesel supplies in late September, spokesman Jon Harding said. “We held off doing the required maintenance while Petro-Canada’s turnaround was scheduled to minimize impact on the overall supply and we can’t wait any longer,” Harding said.”



We never forget how fortunate we are to partner with you. Thank you for your support.

Sean, Lynn, Kevin, Peter, and Ross

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