

LEADER-POST

Premium-grade fuel shortage in Regina

By JOE COUTURE, Leader-Post July 24, 2010

REGINA — Premium fuel seems to be at, well, a premium these days.

Some Regina service stations are short on premium-grade fuel, but an energy industry expert says drivers don't need to worry.

"In all honesty, the demand in the western provinces is outstripping supply," Roger McKnight, senior petroleum analyst with Oshawa-based En-Pro International, said Friday. "It's not a planned thing by the oil companies. I'm not a great supporter of the oil companies, but you've got to give them credit where credit is due.

"They're doing the best they can, and, really, the economies, especially in Saskatchewan and Manitoba, are outstripping supply. You should be congratulated for it and it's been a long time coming. I've been saying for about a year now that this is your time."

On Friday, one Petro-Canada station and two Turbo stations in Regina reported being out or almost out of premium fuel, although many other stations reported being well-stocked. McKnight said it's not surprising to hear that there are some isolated, if not widespread, shortages of supply.

"I noticed about two days ago that Esso increased their wholesale prices a lot more than anybody else did," he said. "I'm suspecting there may be a little bit of a supply problem based on what Esso is doing."

There weren't any problems with refineries that McKnight was aware of, he said.

"In Canada, the refineries do not have to report problems to any federal or provincial agencies," he continued. "In the United States, they do, which is probably why they have the problems they do down there. It's a pretty secretive sort of situation (in Canada) because the oil companies don't want any of their competitors to know they're having problems in case they grab market share. But in my opinion, it's strictly the fact that you guys are doing so well."

When shortages happen, it's common practice for Canada to import fuel from the United States, and vice versa, McKnight noted. He said he doesn't foresee gas supplies or prices being a problem for consumers this summer, though.

"Prices in Canada are determined by prices in the U.S.," he said. "And the U.S. demand for gasoline and all transportation fuels is tepid to say the least. I can't see that being a problem. As a matter of fact, I see the Canadian dollar strengthening, which means your prices should remain stable, if not lower."

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