

To: [BCUC](#)
Subject: Letter of Comment - Parkland - Advance Ruling on Confidentiality for FPTA Reporting Submissions - Alfred Wong
Date: Wednesday, January 13, 2021 7:27:14 AM
Attachments: [BCUC gasoline AK41036W pricing 130121.pdf](#)

Date Submitted: January 13, 2021

Proceeding name: Parkland - Advance Ruling on Confidentiality for FPTA Reporting Submissions

Are you currently registered as an intervener or interested party: No

Name (first and last): Alfred Wong

City: Vancouver

Province: British Columbia

Email: [REDACTED]

Phone number: [REDACTED]

Comment:

Questioning whether continuing the present "parkland" dossier would lead to a better understanding of the volatility of gasoline pricing at the retail level.

To: British Columbia Utilities Commission (BCUC)

From: Alfred Wong

Date: January 13, 2021

Re: Order G-275-20: Framework for the Determination of Confidentiality and Treatment of Protected Information collected pursuant to the *Fuel Price Transparency Act*

The BCUC has been entrusted to be the Administrator of the 2019 Fuel Price Transparency Act (FPT Act). It is generally recognized that the goal of the FPT Act is to determine the causes or reasons for the time-varying retail prices of gasoline in BC.

My understanding is that the present pursuit of BCUC on the "Parkland – Advance Ruling on Confidentiality for FPT" dossier is to discover the transaction (wholesale) pricing of unrefined or refined oil products. In my opinion, this exercise is of little or no consequence in realizing the goal of determining the cause(s) of retail gasoline pricing.

Somehow the BCUC is continuing to ignore some obvious facts. For example,

- Crude oil feedstock for an oil refinery is typically purchased months in advance.
- Large volume of feedstock, perhaps several months, is stored at the refinery.
- The refinery does not and can not switch feedstock at will because the operating configuration could not be easily changed.
- The gasoline stored at a local gasoline refilling station could be as much as several thousand litres.

Thus, why there is considerable volatility in the retail pricing of gasoline? There is no logical reason to believe that disclosed wholesale, albeit confidential, pricing would lead to the improvement of knowledge of the price of gasoline at the retail level. It is evident to the general public as well as experts that retail pricing is real-time pricing.

What the BCUC should be focusing on is the algorithm used by the suppliers (oil refiners) in setting real-time pricing. As I had pointed out in my previous submission to the BCUC, the two most critical determining factors are benchmark WTI market and the prevailing Canadian dollar-US dollar exchange rate. All other factors such as refiners margin, transportation costs, etc. are of much less importance. It is well known that refiners (i.e., large corporations) do not set prices capriciously; they hire the best technology personnel to develop a rule-based protocol to maximize revenue, particularly in capturing the no-effort profit opportunity offered by fluctuating WTI benchmark price and currency exchange rate. Evading regulatory detection of collusion is a basic tenet.

In summary, I urge the BCUC to stop wasting time to continue the "Parkland" case file. The BCUC should deploy its considerable technology resources to focus solely on investigating the fundamentals of real-time pricing.
