



**bcuc**  
British Columbia  
Utilities Commission

**BC's Fuel Price  
Transparency Act**

# BCUC Staff Report: Powell River Fuel Market

October 2024

As Administrator of the *Fuel Price Transparency Act*, the British Columbia Utilities Commission (BCUC) is responsible for collecting and publishing information about gasoline and diesel fuel activities in BC, in an effort to promote competitiveness and public confidence in the competitiveness of the fuel market.

The BCUC monitors the BC fuel industry by:

- collecting monthly reports on fuel imports, fuel purchased on the wholesale fuel market, fuel that is supplied to retail gas stations, and costs to purchase credits to comply with BC-specific low carbon fuel standards,
- collecting annual reports on terminal and tank storage data, and
- requesting information from fuel companies operating in BC on an ad hoc basis.

[gaspricesbc.ca](https://gaspricesbc.ca)

# Powell River Data Request

In early summer 2024, the BCUC received complaints regarding the retail price of fuel in the Powell River market and, in particular, the lack of a corresponding decrease in the local pump price for gasoline when pump prices had decreased in other BC markets, such as Vancouver.

In order to better understand the market dynamics being experienced by BC drivers, BCUC staff issued a [fuel data request](#) to retail fuel stations in Powell River, pursuant to the BCUC's authority as Administrator of the [Fuel Price Transparency Act](#). Retail stations in Powell River were instructed to provide information regarding:



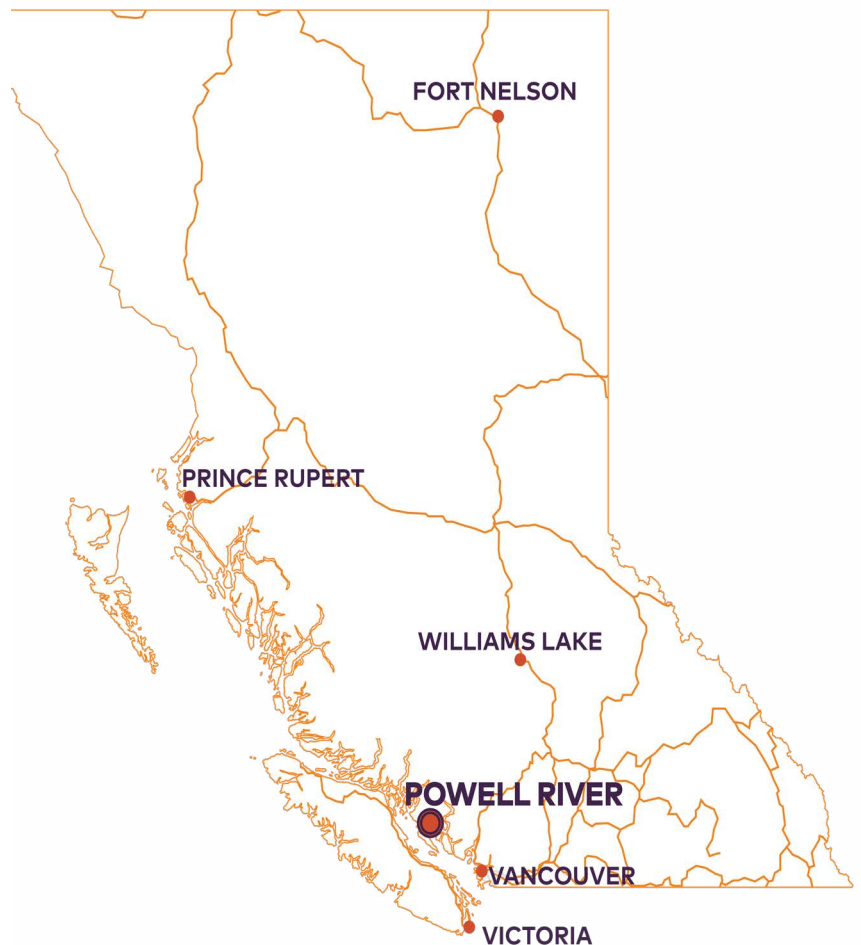
How gasoline and diesel prices are set in their area and at their retail station;



Why gasoline pump prices in Powell River and at their particular retail station (if applicable) did not decrease alongside wholesale gasoline prices, as seen in other markets such as Vancouver, during the period of late April to mid-June 2024; and

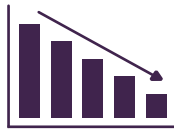


An explanation of how retail fuel price behaviour in Powell River, and at their particular station, compared to those in nearby markets and to wholesale fuel prices during the period of late April to mid-June 2023.



## Response from Powell River Retail Stations

In response to the BCUC's data request, retail station owners reported that retail fuel prices in Powell River do not track wholesale fuel prices as closely as those in larger markets, such as Vancouver, largely because of:



**lower volumes of fuel sales,**



**more logistically complex and costly fuel supply routes, and**



**greater distance from supply hubs.**

Retailers indicated that these market dynamics can result in periods of price asymmetry. In other words, when pump prices in larger cities like Vancouver decrease soon after wholesale prices decrease, retail stations in less populated and more isolated areas have yet to resupply with cheaper fuel and thus maintain higher prices at the pump. Retail station owners also noted the importance of maintaining competitiveness relative to other stations in their local market.

Stations owners also explained that Powell River's retail fuel market is disconnected from retail markets in nearby Sechelt and Gibsons, which have higher volumes of fuel sales and less complex fuel supply logistics. As a result, retail stations in these other Sunshine Coast municipalities share pricing patterns that are more similar to Vancouver than to Powell River.

Retail station owners also reported that their station's pricing behaviours and margins align with BCUC staff's observations in the [March 2024 Retail Fuel Market Report](#). In the Fuel Market Report, BCUC staff identified that certain characteristics unique to less populated retail markets (i.e. less competition, greater supply chain complexity, and less frequent resupplying) contribute to pump prices in these smaller markets disconnecting from price trends in larger markets, remaining higher or lower for stretches of time.

As the Administrator of BC's [Fuel Price Transparency Act](#), the BCUC works to promote competitiveness and public confidence in the competitiveness of BC's fuel market. To date, we have initiated several projects in response to public requests for information about fuel prices in select BC cities. The BCUC will continue to monitor pricing behaviours in Powell River and across the province as part of these efforts.



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