

The van der Valk Gas Price Advisory for March 5, 2010

The West Coast spot market gasoline and diesel prices are up 3 cpg again this morning due to a good jobs report and more price aftershocks from the Chilean earthquake pushing fuel demand past available supply. Crude is over \$81 a barrel today with more upward pressure in sight. The Chevron refinery in Richmond started its routine spring turn-a-round and will not be back up for at least six weeks.

Robert Jones, Vice President with TransCanada, announced on March 3, 2010 in Billings, Montana that they would consider allowing the US access to the Keystone XL pipeline. It is currently being built to bring much need crude oil extracted from the Alberta Oil Sands to the US Gulf Coast refineries.

Calgary-based TransCanada Corp. will begin construction on the 1,980-mile pipeline this year making a \$12 billion investment.

The company previously had rebuffed calls to build an "onramp" for crude oil from the Bakken oil fields of Montana, North Dakota and Saskatchewan, claiming there was insufficient demand.

But facing political pressure, TransCanada Vice President Robert Jones said Wednesday Keystone XL had reconsidered their position was "open for business" and would talk with conventional crude producers in the United States.

Jones made the pledge after meeting with several dozen oil company representatives, who were brought together to meet in Billings by Montana Governor Brian Schweitzer and North Dakota Governor John Hoeven.

Governor Schweitzer had threatened to withhold regulatory approval to grant right of way through 290 miles of Eastern Montana in order to force TransCanada officials back to the table and negotiate in good faith.

Terry, my hometown, is located in Prairie County in Montana will be greatly affected by the building of this pipeline. It being built right smack down the middle of this sparsely populated 1,700 square mile area made up of Badlands and cattle ranches.

The economy of this county needs diversification away from being agricultural and will now become part of the international solution to the energy needs of the free world.