



# Oil Express

exclusive report serving informed petroleum marketers nationwide

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## In This Week's Issue

CITGO raises bar for brand conversion bonus.....	1
FBI warns against cyber ransom.....	1
ExxonMobil extends EMV liability coverage for Verifone sites due to software issues.....	3
From the States: Focus on beer, Cap-and-Trade, biofuels.....	4
Technology: Ford integrates Speedpass Plus into vehicles.....	5
For Profit: App designed to offer stations an 'Upside' .....	5
M&A: Lube-Tech & Partners acquires Iowa lubricants biz.....	6
BP's ampm franchise evolves with major's global initiative .....	7
Couche-Tard adds Circle K divisions to get ready for CST Brands closing ....	7
Trends: Consumers optimistic despite climbing gas prices .....	8

## In Every Issue

Gasoline Price Barometer .....	2
National Rack-to-Retail Margins .....	2
Average U.S. Contract Prices.....	2
Gasoline Supply Barometer .....	3
Average U.S. Spot Price.....	3
U.S. Refinery/Inventory .....	3

### CITGO raises bar for brand conversion bonus

In a bid to ratchet up volume, CITGO is adjusting its brand conversion incentives to favor gas stations with monthly volume of 75,000 gallons or more and to disqualify stations with monthly volumes of less than 60,000 gallons, according to a message sent to branded distributors.

The move is significant, as marketers have said the majors typically have set minimum monthly volume for certain incentives at about 50,000 gallons. Also, CITGO, with its focus on local marketing, has had a reputation for working with smaller stations willing to support its brand.

The initiative could make it difficult to convert rural and small-town fuel retailers to the CITGO brand who could use financial help to upgrade their stations, a marketer with a string of CITGO stations told Oil Express.

*(continued on page 2)*

### FBI warns against cyber ransom

The FBI recently posted an alert concerning the growing cyber-threat from ransomware, a type of malware installed on a computer or server that encrypts the files, making them inaccessible until a specified ransom is paid.

Ransomware typically is installed when a user clicks on a malicious link, opens a file in an email that installs the malware, or through drive-by downloads from a compromised website. Drive-by downloads do not require user initiation.

Recent variants have targeted and compromised vulnerable business servers to identify and target hosts, multiplying the number of potential infected servers and devices on a network. The crooks are also charging ransoms based on the number of hosts or servers infected. Recent victims infected with this type of ransomware variant have not been provided the decryption keys for all their files after paying the ransom, and some have been extorted for even more money after payment.

The result: Victims could have to pay more to get their decryption keys, a prolonged recovery time, and the possibility victims will not obtain full decryption of their files, the agency said.

The FBI does not support paying a ransom and recommends reporting infections to a local FBI office or to the Internet Crime Complaint Center at [www.IC3.gov](http://www.IC3.gov). Victims should provide: date of infection, ransomware variant (identified on the ransom page or by the encrypted file extension), company information (industry, business size, etc.), how the infection happened (such as a link in email or Internet browsing), requested ransom amount, actor's bitcoin wallet address (may be listed on ransom page), ransom amount paid, overall losses tied to the infection, and victim impact statement.

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### Gasoline Price Barometer

Wholesale markets were recovering from an early-week decline, but looking at price turnovers on a week-to-week basis generally speaking, prices are on the flat side.

One of the lone exceptions to that, though, has been the Los Angeles CARBOB market, which has shifted from a premium of nearly 20cts to discounts of close to a nickel at presstime. As a result, flat prices are down the better part of 20cts over the past week. The sharp drop in L.A. CARBOB differentials culminated with the EIA report that saw a 2-million-bbl build in PADD 5 gasoline storage levels, taking them above the 30-million-bbl mark for the first time since mid-August.

Another market that saw cash market differentials shift significantly was the Chicago market, where small premiums at the beginning of the year have given way to discounts for CBOB at the moment. Prompt CBOB differentials have shifted more than a dime, and that has left prices down some 20cts from the recent peak seen on Jan. 4.

Though most other markets are relatively flat to slightly weaker, the sharper drops in the Chicago and L.A. markets have given marketers a bit more breathing room as it pertains to rack-to-retail margins. According to the most recent OPIS data, the average gross margin in the U.S. is up by about a nickel to 18cts/gal.

One other slice of the market to keep an eye on is RINs. Prices for 2017 corn ethanol RINs (D6) have seen prices decline last week, and the current price has dropped to 69cts.

(continued from page 1)

The “Grow Bucks” incentives, which serve as a “signing bonus” for new branded retailers, will only be paid to stations with a monthly

volume of 60,000 gallons or more. The minimum used to be 50,000 gallons, based on literature obtained by Oil Express.

The major is rolling out the new bonus schedule during its annual series of regional roundtable meetings with marketers that just launched this week.

Here are the new rules:

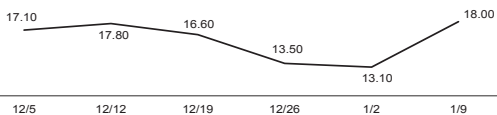
- Stations that sell 50,000-59,999 gallons per month that used to qualify for \$12,000 in incentives now get nothing.
- Sites selling 60,000-74,999 gallons per month qualify for \$10,000 instead of \$12,000 as they did previously.
- Stations that move 75,000-99,999 gallons per month get a \$3,000 raise, qualifying for \$20,000 instead of \$17,000 bonuses.
- Signing bonuses for higher-volume stations remain the same. Sites that sell 100,000-149,999 gallons per month are eligible for a \$30,000 bonus, and stations with monthly volume of 150,000 gallons or more qualify for a \$40,000 bonus.

Last month, some marketers got a heads-up from a CITGO regional office urging distributors to sign up smaller sites before the new incentives took effect on Jan. 1.

“This change affects any offers for 50,000 gallon per month locations that may be out there,” a territory sales manager for CITGO wrote in December. “If I have made an offer to you for a 50,000 gallon site that includes \$12,000 in Grow Bucks, the site has to be signed and assigned a location number by Dec 31.”

The signing bonus has been around for at least the last couple of years, according to 2015 literature provided to marketers. It is paid by an electronic funds transfer credit memo when the station finishes rebranding and starts accepting branded credit card transactions.

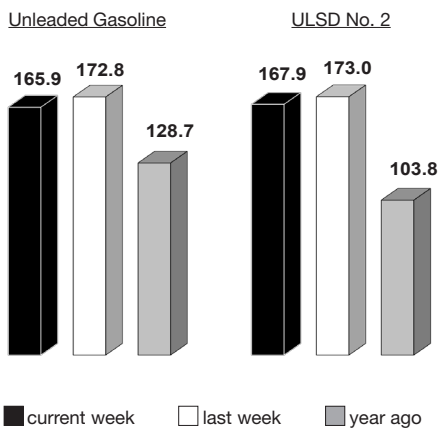
### National Rack-to-Retail Margins (in cts/gal)



Source: OPIS Retail Fuel Watch

For more information call 888.301.2645

### Average U.S. Contract Prices (in cts/gal)



### Roundtable Rumblings

CITGO’s 18 regional Marketer Roundtable meetings run Jan. 10-Feb. 2 in various cities, emphasizing new initiatives, industry trends and best practices.

The major said it is discussing such topics as: Club CITGO® Mobile App updates; TriCLEAN® TOP TIER™ promotion updates; Trimark of Excellence Mystery Shop Program enhancements; CITGO Rewards® Credit Card Program updates; a new Managed Installation Program for branding; and new vendor partnerships for specialty items.

Based on marketer reports, meetings also feature the “Spirit Pump” program CITGO introduced last year. From July-October, CITGO, along with its local New England partners, distributors SEI Fuels, H.A. Mapes, Global Partners and Tradewinds, teamed up with the Red Sox Foundation

installing unique Red Sox-branded gas pumps at multiple CITGO stations throughout Massachusetts, Rhode Island, New Hampshire and Maine.

Motorists could stop by designated gas stations to fill up their tank at the branded Spirit Pump and a portion of their fuel purchase would be donated directly to the Red Sox Foundation. Customers also could donate cash inside the store at “Fuel Change” donation boxes or receive a Red Sox Foundation baseball mobile at the register by donating \$1 or \$5 to support the organization.

CITGO is making the program available for other charity marketing themes with other nonprofits, Oil Express has heard.

Another item on the agenda is the mystery shopper program. Like other majors, CITGO has developed a system allowing stations to earn points back that were deducted for missing easily remedied questions on the evaluation.

“The goal is to get sites looking better,” said one marketer. “For example, if your pumps are dirty you can clean them up and send CITGO a picture and they’ll give points back.”

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## ExxonMobil extends EMV liability coverage for Verifone sites due to software issues

A note ExxonMobil sent to branded fuel retailers earlier this week indicates the major has hit more glitches along the downstream oil industry’s already bumpy road to adopt chip payment cards.

The major said it has extended the indoor point-of-sale liability coverage for Verifone payment system locations through Feb. 28, 2017 from Dec. 31, 2016, due to unforeseen software challenges and in the spirit of supporting its branded fuel network.

Credit card networks said retailers needed to install indoor point-of-sale systems that comply with the Europay MasterCard Visa chip card technology standards by Oct. 1, 2015, to avoid liability for certain fraud-related chargebacks. ExxonMobil and other majors indemnified their branded stations until EMV-certified equipment and software was readily available.

The Dec. 31, 2016, date already represented an extension.

The fuel retail industry has been bustling to wrap up indoor EMV compliance and moving to install chip payment card systems at the gas islands. The liability shift at the pump was set to occur Oct. 1, 2017, but was recently postponed three years to 2020.

While ExxonMobil addresses the latest indoor EMV rollout issues, it has recommended some steps for sites that have already received software. For the remaining Verifone sites, ExxonMobil anticipates restarting the software deployment the week of Jan. 23.

The Verifone software rollout for indoor EMV at ExxonMobil branded retail stations is in line with ExxonMobil’s EM1 hardware launch in 2015.

## Gasoline Supply Barometer

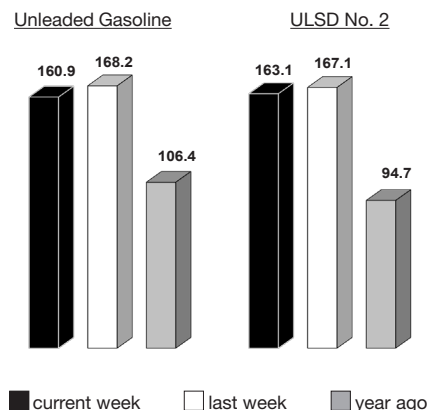
Total gasoline storage levels grew in each of the past two weeks, according to the most recent EIA data. But while inventories have jumped by more than 13 million bbl over the past two weeks, the year-on-year surplus enjoyed for much of 2016 has flattened out in the early stages of 2017.

Although the builds over the past two weeks were indeed impressive, in order to keep supplies, at a minimum, flat with last winter, some more huge builds will be necessary through the remainder of the month. For perspective, through the six-week data period that started with Christmas week and concluded at the end of January, gasoline storage levels grew by more than 33 million bbl.

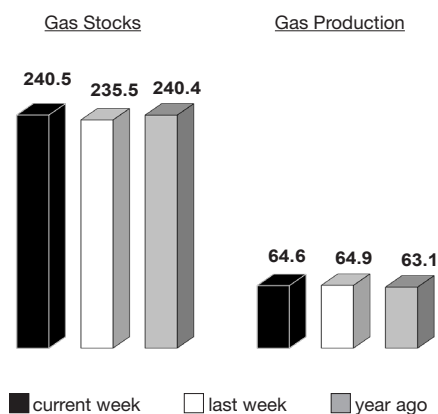
With storage levels needing to move sharply higher over the next four reports, there is a chance inventories are able to keep pace with the 2016 build. January gasoline demand tends to be very weak, and the first couple of reports that include 2017 data have pointed to similar consumption patterns. Meanwhile, refiners appear to be making a last-minute product push ahead of planned maintenance during the first quarter.

The most recent EIA data saw total inputs into U.S. refineries come in at an all-time high last week. That should point to a boost in gasoline supplies in the next couple of inventory reports.

### Average U.S. Spot Price (in cts/gal)



### U.S. Refinery/Inventory (in million b/d)



Some dealers are complaining about unreliability of Verifone software since it was installed at their stations. They pointed out technical glitches, including PIN pad lockout and inability to read credit cards. Some retailers told Oil Express they had experienced buyers' remorse with Verifone software as they could have opted for the "more expensive and more reliable" Gilbarco Passport System.

ExxonMobil has recommended a list of actions for its branded retailers. For example, a site that has received the software but has not initiated the installation should wait until instructions are provided for action during the week of Jan. 23.

Also, a site that has installed the software and is waiting to be configured for EMV will be contacted by Verifone or the ExxonMobil Retail Help Desk within the next week to schedule a time to complete the configuration.

ExxonMobil said that its EM Retail Help Desk has a new dedicated support option for when a site calls. In addition, the

December indoor EMV chargeback summary reports have been posted to the DTN portal.

Branded wholesalers can select the date Jan. 12, 2017, under Message Type Credit Cards to locate their EMV reports. These reports reflect the total indoor EMV chargebacks by site, by chargeback month regardless of where the chargeback was finally billed.

Tabitha Greiner is chief security officer for Acumera Inc., an industry security solutions provider based in Austin, Texas. Greiner, whose company serves other major brands and fuel distributors, said she has not heard other clients were experiencing similar technical problems with Verifone.

"One of the main issues POS vendors have is when they make changes to POS systems, they often have to go back through the PA-DSS certification for applications or PTS certification for terminals, and possibly re-certify through EMV," she said. "These can be very lengthy and expensive processes."

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## From the States: Focus on beer, Cap-and-Trade, biofuels

Michigan Gov. Rick Snyder (R) has signed legislation making it easier for gas stations with retail food establishments to get a license to sell beer and wine for offsite consumption.

The new law removes a rule that required gas stations to keep a minimum inventory of \$250,000,

excluding fuel and alcohol, in order to be eligible for such a license.

The statute creates a quota system under which no more than one of the beer/wine licenses will be issued per 1,000 population in that city, incorporated village or township. But the quota will be waived for retail fuel dealers that apply for a license up until March 4, 2017, according to the Michigan Petroleum Association and Michigan Association of Convenience Stores. The quota also will be waived if there's no other license holder within two miles.

Last April, the governor signed a bill that let grocery stores licensed to sell beer and wine also sell it at a company-operated gas station situated on a "secondary" location that's on the same land parcel or an adjacent parcel. That was opposed by the petroleum association, which argued the measure gave a competitive advantage to big-box gas stations.

The association, which fought for this more recent change for years, said the new law's provisions "create a more level playing field for all businesses wishing to gain a beer/wine license."

Other recent state moves:

- In the California 2017-2018 Governor's Budget Summary, Gov. Jerry Brown (D) proposed legislation, through a two-thirds urgency vote, to confirm the authority of the Air Resources Board (ARB) to administer the Cap-and-Trade program through 2030. The report noted that over the past year, Cap-and-Trade auctions have experienced significant volatility. After several consecutive auctions that generated over \$500 million in proceeds, the May and August auctions in 2016 generated only \$10 million and \$8 million, respectively, said the report, adding that the most recent November 2016 auction rebounded to generate \$364 million. "One of the factors that may have contributed to this revenue volatility is the perceived legal uncertainty about Cap-and-Trade beyond 2020," said the report.
- Also in California, the state's Low Carbon Fuel Standard credit transfers hit a new high monthly record in December, as well as total traded credit volume, the California Air Resources Board (CARB) revealed. The agency counted 142 total credit transfers during December, the most for any month on record since the LCFS program started, and up nearly 69.1% from November transfers. It is not unexpected that the end-of-the-quarter month brings a surge in credit transfers, but December activity also outpaced the same time in 2015 by almost 57.8%. During fourth quarter last

year, CARB noted 307 LCFS credit transfers, climbing 25% from the third quarter total and up almost 38% compared to credit transfers racked up over the 2015 fourth quarter.

- Iowa Gov. Terry Branstad (R) wants to provide \$3 million in Fiscal Year 2018 funds for the state's Renewable Fuels Infrastructure Program (RFIP), according to a proposed budget. The program received the same level of funding for FY 2017, which will run through June 30, 2017. Funding for the RFIP is one of the recommendations of the state's energy plan. Since 2006, the RFIP has provided fuel retailers with grants to help defray the costs of infrastructure upgrades and modifications needed to sell E15 and E85.
- Colorado has been taxing natural gas as a motor fuel using a gallon equivalent since 2014. The tax for CNG went to 12cts per gallon equivalent (126.67 cubic feet of natural gas), up from 9cts in 2016, 6cts in 2015 and 3cts in 2014. LNG is 8cts per gallon, up from 7cts in 2016, 5cts in 2015 and 3cts in 2014. The tax on LPG is 9cts, up from 7cts in 2016, 5cts in 2015 and 3cts in 2014. Those rates are due to rise again over the next two years to: 15cts in 2018 and 18.3cts in 2019 for CNG; 10cts in 2018 and 12cts in 2019 for LNG; and 11cts in 2018 and 13.5cts in 2019 for LPG.

Staff report



## Technology: Ford integrates Speedpass Plus into vehicles

In a pitch to make gassing up easier, Ford Motor Co. has become the first automaker to integrate a major oil brand's payment app with its vehicle systems.

Ford has integrated the ExxonMobil Speedpass+ app into its vehicles so that drivers can pay for gas using an in-vehicle Ford SYNC® 3 touchscreen or voice command to authorize payment. The goal is to make payment quick, easy and secure, the automaker said in an announcement.

The move is a coup for ExxonMobil, which has been a leader in developing a mobile app to pay at the gas islands.

"Integration means drivers can pay for gas without having to punch grimy buttons, fumble through wallets and purses, or swipe credit cards in the freezing cold," Ford said. "Drivers can use the app to search for and find approximately 9,400 participating Exxon and Mobil gas stations."

The contact-less payment system also is

integrated with the Plenti coalition loyalty program administered by American Express. ExxonMobil is one of the charter members of the merchant coalition. Members shop thousands of merchants to earn a variety of rewards, including fuel rewards at participating ExxonMobil stations.

"ExxonMobil's use of mobile technology that makes life more convenient for their customers can be easily integrated into Ford vehicles," said Dave Hatton, Ford global manager, mobile applications and emergency services. "With SYNC AppLink, the Speedpass+ experience becomes a more seamless part of our customers' journey."

Using GPS, the vehicle recognizes it is at a participating Exxon or Mobil station. The driver enters the pump number on the touchscreen to initiate payment or uses voice commands such as: "Pay for fuel" or "Express pay" and "1" or "Pump 1." The driver confirms fuel authorization and begins fueling, Ford explained in its announcement.

Drivers also can use the app to search for and navigate to about 9,400 participating Exxon and Mobil stations. Using the Ford SYNC 3 touch screen, the car automatically shows a list of nearby stations, along with directions, when a customer's fuel gauge drops below a specified fuel level.

SYNC AppLink provides drivers with the ability to control compatible smartphone apps using their voice or the in-vehicle touchscreen. Developers can easily make their smartphone apps compatible with SYNC by downloading and integrating the AppLink software from the Ford Developer Program website, Ford said.

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## For Profit: App designed to offer stations an 'Upside'

Eric Schmitz, the owner of four gas stations in the Virginia suburbs of Washington, D.C., said his business is listed in a new smartphone app called "Upside" that can attract motorists to his locations with targeted discounts on fuel, convenience store purchases, or car washes based on the driver's purchasing history.

Schmitz, who was approached by Upside, said he's pleased with the program because of the ease of setting it up, no contractual obligations, and the ability to stop any time, he said. In the 30 to 45 days he's taken part in the pilot he's very happy with it so far. He said it's much more transparent than some of the brand loyalty programs.

For example, a report from Upside showed one of his stations for Dec. 14- Dec. 20 pulled in 12 new

customers and resulted in a net profit of \$47.46. The return on investment is at least 30%, according to Upside co-founder Alex Kinnier. The customer discount range for fuel at that station, which purchases its gas on a rack-plus basis, would be determined by factoring in the rack-plus cost and sign price on a per-grade basis, Kinnier explained.

Schmitz said that with the Safeway loyalty program and the Sunoco APlus rewards programs, it is difficult for dealers to understand the cost and return. “But with Upside, I can instantly see if I’ve got a new customer, exactly what that customer bought, exactly what I gave them, and what my net profit was on a per-day basis,” he said.

Upside has been live in the D.C.-Baltimore area about six months, includes about 250 participating stations, and is seeking to grow, with some stations in Philadelphia expected to go live within the next six months, said Kinnier. Participating stations get an exclusive territory of a quarter-mile radius, Kinnier said. More than 22,000 people have downloaded that app so far, a number growing at the rate of 9% a week, he added.

Customers realize their discounts by photographing their receipt from a credit or debit card purchase, sending the photo, through the app, to the Upside system, and receiving the savings in a PayPal account. Some cashback offers include Upside credit that can be used to get cash back on non-gas purchases such as car washes and convenience store purchases.

“We only profit on the incremental profits,” Kinnier said. “For the station owner, there’s no upfront signup fee, there’s no software upgrade, there’s no software integration. The only thing they pay us is they split the incremental profit with us 30-70. So we take 30% of the incremental profit and they keep 70% on a per customer basis.”

Ten years ago, Kinnier worked for Google, building large systems that matched online buyers and sellers in real time. After his stint at Google, he helped develop the utilities-related software company Opower, which was acquired last May by Oracle for \$532 million.

He said the company has more than \$5 million in seed money provided from Google’s chief economist Hal Varian and the venture firm Formation 8, which was founded by former Facebook chief technology officer Gideon Yu.

Using a station’s customer-receipt data obtained from payment card companies, Upside analyzes customers’ buying habits to develop specials.

The program conducts tests to see, for instance, the smallest discount that can be used to lure new

customers to a participating station. For instance, there are some “three-centers” – customers who will shift stations for a discount as low as 3cts/gal, Kinnier explained.

The data can show how often customers have purchased gas, how frequently they bought items from the c-store, and even what they purchased, Kinnier pointed out.

The discounts vary, and also take into account data such as fuel margins reported by OPIS, and c-store margins, Kinnier said. Parameters of the discounts are then set so that the merchant doesn’t lose money, he added. Kinnier said Upside doesn’t interfere with brand loyalty programs. For instance, if Upside directed a customer to a station for a 5ct/gal discount on gasoline, and a brand loyalty program provided that customer a 4ct/gal discount, Upside limits its discount to 1ct/gal, he explained.

Discounts on in-store purchases aren’t product-specific yet, but Upside hopes to eventually get there, Kinnier said. The discounts also generally don’t apply to low-margin items such as cigarettes, alcohol and lottery tickets unless the station owner wants to include them, he explained.

The company said as a result of its promotions, customers come to a station they’ve never visited before and buy gas an average of two times a month. Also, existing customers buy gas 37% more often per month and purchase in-store items 74% more often per month.

Scott Brown, owner of Cardinal Plaza Shell in Springfield, Va., outside of Washington, D.C., said he, too, is participating in Upside. “I only pay for success,” he said. Brown added that incremental sales are still “fairly low but are steadily growing.” He said his next step is going to be to use Upside to drive gas customers to his service bays.

As for Schmitz, he said he likely will continue to use Upside. “I’d like to look at it after three months, six months, 12 months and see how it’s doing,” he said. “As long as there’s positive return, I see no reason not to do it.”

Merchants can learn more about the program at [www.upside-services.com](http://www.upside-services.com).

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## M&A: Lube-Tech & Partners acquires Iowa lubricants biz

Lube-Tech & Partners, a Midwest distributor of more than 20 million gal per year in lubricants and chemicals, said it has acquired the lubricants business of Dyno Oil Co. of Spencer, Iowa, for undisclosed terms.

The acquisition increases Lube-Tech's geographic footprint and its ability to serve customers in northwest Iowa and southwest Minnesota, according to an announcement.

"We feel the Iowa market provides the opportunity to grow, and the Spencer location will enable us to be closer to many existing Iowa and Minnesota customers," said Chris Bame, chairman of the Lube-Tech board.

With the addition of the Spencer location, Lube-Tech operates out of eight locations in the upper Midwest.

The Dyno staff will remain on board and continue to provide Dyno's customers with local support. Those customers also can expect an expanded product line and services from Lube-Tech, a distributor of lubricants, equipment, chemicals, recycling services, and energy solutions.

Bame said the company intends to continue to pursue growth through acquisitions.

Lube-Tech was formed in June 2016 by the founding companies Boyer Petroleum, of Des Moines, Iowa; Lubrication Technologies, of St. Paul, Minn.; and Moore Oil, of Milwaukee, Wis. The St. Paul-based company has operations in Illinois, Iowa, Minnesota and Wisconsin.

The combined companies provide products and services to more than 7,000 customers throughout the Upper Midwest, in Minnesota, Wisconsin, Northern Illinois, Iowa and eastern North Dakota, South Dakota and Nebraska.

Dyno Oil remains in the retail fuel business operating 11 Dyno's Convenience Stores in Iowa in the towns of Spencer, Milford, Hartley, Spirit Lake, Emmetsburg, Storm Lake, Paullina, Sanborn, Pocahontas and Sibley. The company was founded by Del Nelson in 1958 with a fuel bulk plant and service stations.

In other M&A news, The Plaza Group, an international petrochemical marketing firm, said it has acquired Truth Chemical for undisclosed terms. Truth, founded in 2002, distributes chemicals, fertilizers and specialty products to an array of commercial customers in a variety of segments such as agriculture, chemical plants, lawn and garden, NOx abatement, nursery, oilfield, paper mills, power plants, refineries and specialty crops. The transaction grows The Plaza Group's existing business and allows it to expand into new industries, said Randy Velarde, president and founder.

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## BP's ampm franchise evolves with major's global initiative

BP has begun piloting a new fresh food offer and an enhanced coffee bar at ampm convenience stores in the United States, the company told Oil Express.

The tests are part of the major's global effort to enhance its convenience-fuel offerings, particularly adding high-margin food service items.

A spokeswoman said the major's retail strategy is to develop "high-quality and differentiated fuel and convenience offers, providing a platform to grow our marketing business globally."

BP's c-store offer differs in various countries and relies on partnerships with strong local brands, she said. In the U.K., for example, the major said it has had a partnership with Marks & Spencer in place since 2004. In Germany, it recently announced a partnership with REWE, targeting an accelerated rollout of BP and REWE shops across the country.

In Australia, it just announced the acquisition of 527 Woolworths fuel and convenience sites, the purchase of 16 additional sites under construction, and a convenience partnership. BP said the offer will involve a seasonal selection of ready-to-eat and take-home meals and the Woolworths' Everyday Rewards program and 4ct/liter fuel discount.

"Customer expectations are changing and BP's retail strategy is to meet and exceed their needs, which are driven from busy lifestyles," the BP spokeswoman said.

She refused to elaborate on the pilot programs involving ampm stores in the U.S., as well as whether or not BP had plans to advance the "To Go" c-store concept it introduced to BP stations after terminating all ampm franchise agreements east of the Rockies at the end of 2012.

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## Couche-Tard adds Circle K divisions to get ready for CST Brands closing

Couche-Tard is preparing its Circle K Division to absorb and manage the CST stores that it will take over as soon as it closes on its purchase of CST Brands Inc., which owns, operates or distributes fuel to at least 3,000 locations in North America.

CST Brands was purchased by Couche-Tard last summer in a deal valued at around \$4 billion. The transaction included CST's 19% holding in CrossAmerica Partners, a master limited partnership with stores in 29 states.

The deal got the okay from CST stockholders in November and a final closing is expected early this year.

Couche-Tard said the undertaking involves appointing new leadership and adding two regional divisions in the United States.

In a recent announcement, Darrel David, senior vice president for Circle K operations, said that Paul Rodriguez will serve as vice president of the Texas Division; Melissa “Missy” McKinley will be vice president of the Rocky Mountain Division, and Steve Lattig will be vice president of the South Atlantic Division.

Rodriguez will celebrate his 29th anniversary with Circle K on April 18 and was a territory fuel manager before moving into division manager. He spent five years as vice president for the Great Lakes Division and the last five years as vice president of the Arizona Division. The Texas Division will be located in San Antonio and will involve about 700 stores, covering all of the state except El Paso, which will be under the aegis of the Rocky Mountain Division.

McKinley is currently the vice president of Circle K’s Southwest business unit and she’ll take over the newly formed Rocky Mountain Division, which will be based in Denver. Before coming to Circle K, she held retail leadership roles at Sam’s Club, Best Buy and CVS. The Rocky Mountain Division will oversee stores in Colorado, Kansas, New Mexico, Oklahoma and El Paso.

Steve Lattig has most recently served as vice president of integration since March 2015, following the purchase of CrossAmerica Partners. The South Atlantic Division will represent a new division for Circle K, and the support center location has yet to

be announced. Coverage of that division will include the Flash Food stores in Georgia and Florida as well as many other locations.

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## Trends: Consumers optimistic despite climbing gas prices

Most consumers say they’re optimistic about the economy despite a rise in gas prices in recent months, according to survey results released earlier this week by NACS.

Fuel consumers reported a median gas price of \$2.30/gal, an 11ct increase from December 2016, when the median was \$2.19/gal, and a 15ct hike from November’s median of \$2.15/gal, according to NACS.

The latest survey conducted Jan. 4-6 was of 1,114 U.S. adults who bought fuel for a car, truck or van at least once per month.

The study found that:

- This month 61% of respondents reported noticing that gas prices are “much” or “somewhat” higher than they were last month.
- Consumers expect the trend of higher fuel prices to continue. Fifty-six percent predict that gas prices in 30 days will be “much” or “somewhat” higher than they are this month. That compares with only 32% at this time last year feeling that prices would rise in 30 days.
- Even though consumers expect gas prices to increase, 57% say they feel “very” or “somewhat” optimistic about the economy.

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