

PETROLEUM PRODUCTS PRICING REVIEW HIGHLIGHTS FOR LABRADOR CONSUMERS AND INDUSTRY

THE PETROLEUM PRODUCTS PRICING REVIEW

The Petroleum Products Pricing Review (the “Review”) was conducted by the Board in accordance with the direction of the Minister of Digital Government and Service NL, pursuant to Section 8.1(3) of the **Petroleum Products Act**.

CHANGES FOR PETROLEUM PRODUCTS PRICING IN LABRADOR

Based on the information and feedback provided during the Review, a number of changes will be made to petroleum products pricing in Labrador.

Labrador Price Setting Process and Product Blending

For Western Labrador:

- maximum price adjustments will occur on Friday rather than Thursday beginning on Friday, March 21, 2025 to bring consistency with that implemented on the Island.
- maximum prices for gasoline, diesel and stove oil will be calculated using five days of Argus Media market data beginning on Friday, March 21, 2025 to better reflect industry pricing practice and to be consistent with that implemented on the Island.
- a new diesel blend schedule will be implemented beginning in the fall of 2025.

For the Rest of Labrador:

- no changes will be made to the seasonal price setting process for marine tanker supplied areas of Labrador.

Labrador Zone Boundaries

- Zone 11a: Coastal Labrador South, including Black Tickle, and Zone 11b: Coastal Labrador South, including William’s Harbour and Norman’s Bay, will be combined effective Friday, March 21, 2025.
- Zone 11c: A new pricing zone will be created for the Town of Cartwright effective Friday, March 21, 2025. See attached Table 1 for the impacts of this change.

Labrador Mark-Ups and Zone Differentials

- wholesale mark-ups will be increased in most Labrador zones to align with Island mark-ups.
- zone differentials will be decreased to reflect the net impact of:
 - changes to offset the wholesale mark-up increases; and,
 - changes to reflect cost increases since the differentials were last adjusted.
- retail mark-ups for gasoline, diesel and stove oil in Labrador will be increased to reflect increases in costs since the mark-ups were last adjusted.

The combined impact of these changes is set out in the attached Table 2. To minimize the weekly impacts the Board will phase-in the changes to mark-ups and zone differentials over a period of five weeks in all pricing zones in Labrador. The wholesale mark-up and zone differential changes will be implemented in the first week and the retail mark-up increases will be implemented equally over the following four weeks. This will limit the weekly impact on consumers so that the increases are no higher than 1.0 cent per litre per week.

Labrador Propane Heating Fuel Mark-Ups and Zone Differentials

- the combined total allowed mark-ups and zone differentials for propane heating fuel will be changed to better reflect the current costs of supply. The impacts of these changes range from a decrease of 7.0 cents per litre to an increase of 6.8 cents per litre, as set out in Table 3, and will be effective Friday, March 21, 2025.

The attached Table 4 sets out a Schedule of Dates providing the timeline for implementation of the changes for Labrador resulting from the Review.

GOVERNMENT CONSIDERATIONS

Based on the information provided in the Review, Government may wish to consider:

- whether there should be changes to the Regulations to give the Board additional discretion in the calculation of maximum prices; and
- whether there should be changes to the Regulations to allow for market-based pricing for mid-grade and premium gasoline fuels.

ADDITIONAL INFORMATION

Throughout the Review the Board and its consultants gathered data and commentary from industry and other interested persons. As the Review progressed the Board issued Consultation Documents and provided additional opportunities for interested persons to provide further information and commentary.

Detailed information with respect to this Review and the changes that are being implemented, including the Board's Final Report - Labrador and the Board's Labrador Consultation Document can be found on the Board's website [here](#).

Table 1
Town of Cartwright as New Pricing Zone
Impact on Pricing
(cents per litre)

Type of Product	CURRENT				NEW				TOTAL IMPACT (Ex. HST)
	Benchmark Price ¹	Wholesale Mark-Up and Zone Differential ²	Retail Mark-Up	Total	Benchmark Price ³	Wholesale Mark-Up and Zone Differential ⁴	Retail Mark-Up ⁵	Total	
Gasoline	100.18	22.85	10.28	133.31	82.30	26.38	14.28	122.96	(10.35)
Diesel	103.62	25.66	14.03	143.31	87.90	28.75	18.03	134.68	(8.63)
Stove Oil	103.62	26.61	20.28	150.51	87.90	24.01	22.27	134.18	(16.33)

¹ Current benchmark price based on acquisition costs from supplier in Southern Labrador for most recent resupply in December 2024.

² Includes the current wholesale mark-up and zone differential for Zone 11.

³ New benchmark price based on acquisition costs from supplier in Central Labrador for most recent resupply in December 2024.

⁴ Includes the increase in the wholesale mark-up to reflect increased wholesaler costs since the mark-ups were last adjusted and a new zone differential that reflects the new incremental cost of supply for the Town of Cartwright.

⁵ Reflects an increase in the retail mark-ups to reflect increased retailer costs since the mark-ups were last adjusted.

Table 2 Mark-Up and Zone Differential Changes Gasoline, Diesel and Stove Oil Labrador (cents per litre)				
Type of Product	Pricing Zone	Mark-Ups and Zone Differentials		Total Change ⁶
		Current	New	
Gasoline	10 - Labrador: The Straits to Red Bay	33.13	37.63	+4.5
	11 - Labrador South: Lodge Bay / Pinsent's Arm ⁷	33.13	37.63	+4.5
	11a - Coastal Labrador South ⁸	51.13	53.24	+2.11
	12 - Central Labrador	28.16	32.66	+4.5
	13 - Western Labrador	31.66	36.16	+4.5
	13a - Churchill Falls	33.84	38.34	+4.5
	14 - Coastal Labrador North	51.13	53.24	+2.11
Diesel	10 - Labrador: The Straits to Red Bay	39.69	44.19	+4.5
	11 - Labrador South: Lodge Bay / Pinsent's Arm ⁷	39.69	44.19	+4.5
	11a - Coastal Labrador South ⁸	51.41	55.91	+4.5
	12 - Central Labrador	31.08	35.58	+4.5
	13 - Western Labrador	33.83	38.33	+4.5
	13a - Churchill Falls	36.01	40.51	+4.5
	14 - Coastal Labrador North	51.41	55.91	+4.5
Stove Oil	10 - Labrador: The Straits to Red Bay	46.89	49.38	+2.49
	11 - Labrador South: Lodge Bay / Pinsent's Arm ⁷	46.89	49.38	+2.49
	11a - Coastal Labrador South ⁸	53.79	56.28	+2.49
	12 - Central Labrador	32.59	35.08	+2.49
	13 - Western Labrador	33.59	36.08	+2.49
	13a - Churchill Falls	35.69	38.18	+2.49
	14 - Coastal Labrador North	53.79	56.28	+2.49

⁶ After phase-in process is complete.

⁷ Town of Cartwright to be removed from Zone 11: Lodge Bay/Cartwright and established as new pricing Zone 11c. See Table 1 for impacts on pricing for Zone 11c: Cartwright.

⁸ Zone 11b - Coastal Labrador South (Drum Delivery) to be combined with Zone 11a.

Table 3 Mark-Up and Zone Differential Changes Propane Heating Fuel Labrador (cents per litre)				
Type of Product	Pricing Zone	Mark-Ups and Zone Differentials		Total Change
Propane	10 - Labrador: The Straits to Red Bay	69.59	73.49	+3.90
	11 - Labrador South: Lodge Bay / Pinsent's Arm	78.29	74.79	(3.50)
	11a - Coastal Labrador South ⁹	86.49	79.49	(7.00)
	11c - Cartwright	78.29	76.69	(1.60)
	12 - Central Labrador	52.29	59.09	+6.80
	13 - Western Labrador	54.29	56.09	+1.80
	13a - Churchill Falls	56.39	57.59	+1.20
	14 - Coastal Labrador North	86.49	79.49	(7.00)

⁹ Zone 11b - Coastal Labrador South (Drum Delivery) to be combined with Zone 11a.

**TABLE 4
PETROLEUM PRODUCTS PRICING REVIEW
SCHEDULE OF DATES
LABRADOR**

DATE	CHANGE	IMPACT
March 21, 2025	Wholesale Mark-Up and Zone Differential Changes (Gasoline, Diesel and Stove Oil)	0.5 cpl
	Propane Heating Fuel Changes	(7.0) cpl to 6.8 cpl
	Zone Boundary Changes (New Zone - Cartwright; Elimination of Zone 11b)	Varied ¹⁰
	Friday Maximum Price Adjustments Begin in Western Labrador (Using Argus 5-Day Benchmark Average - Zones 13 and 13a)	Minimal ¹¹
March 28, 2025	Retail Mark-Up Increases (Gasoline, Diesel and Stove Oil)	1.0 cpl
April 4, 2025	Retail Mark-Up Increases (Gasoline, Diesel and Stove Oil)	1.0 cpl
April 11, 2025	Retail Mark-Up Increases (Gasoline and Diesel)	1.0 cpl
April 18, 2025	Retail Mark-Up Increases (Gasoline and Diesel)	1.0 cpl
Fall 2025	Diesel Blend Schedule Changes (Zones 13 and 13a)	Dependent ¹²

¹⁰ See Table 1 for the specific impacts on pricing for Zone 11c: Cartwright.

¹¹ Actual impact will be dependent on reported market data at the time of implementation.

¹² Actual impact will be dependent on reported market data at the time of implementation.