

MEDIA RELEASE

Thursday, May 10, 2007

SEASONAL JET BLEND REMOVED

Gasoline prices increase; most other fuels decrease

The Public Utilities Board, through its Petroleum Pricing Office, will make the scheduled biweekly pricing adjustment for all regulated fuels in Newfoundland and Labrador (NL), except in areas under a price freeze.

Effective 12:01 a.m. Thursday, May 10, 2007, maximum fuel prices will change as follows:

- all types of gasoline will increase 2.7/2.8 cents per litre (cpl) – depending on the HST rounding impact in a particular pricing zone;
- ultra low sulphur diesel in Newfoundland will decrease 2.2/2.3 cpl, while low sulphur diesel in Labrador will be lowered by 2.5/2.6 cpl;
- the seasonal adjustment for the jet fuel blend added to furnace oil pricing calculations in mid-November will be removed at this time (see [Nov. 15, 2006](#) news releases at www.pub.nl.ca) bringing the price of No. 2 furnace oil down by 4.98 cpl, while stove oil will decline by 0.59 cpl; and,
- residential propane used for home heating purposes will increase 0.8 cpl.

Gasoline prices are a primary focus for most consumers throughout North America, as the traditional peak demand driving season nears and future pricing remains speculative. In NL, maximum prices for gasoline have held the line since the latest change on April 26. Sharp gains experienced on NYMEX (New York Mercantile Exchange) were partially offset by downturns over this two-week period allowing the regulated price of gasoline to remain fairly stable, thus avoiding the headline-grabbing fluctuations experienced elsewhere.

As the seasons change so too does the focus on particular fuel products. The dependence on heating fuels has started to ease with the onset of warmer temperatures, and inventories – though down – are believed to be adequate for this time of year. Diesel fuels, which belong to the same group as furnace/stove oil known as distillates, continue to experience stronger-than-normal demand, though current prices are being affected by the decrease in distillates pricing overall.

Market analysts are closely watching the escalating unrest and attacks on infrastructure in Nigeria, one of the U.S.'s biggest fuel suppliers, as well as instability in other major fuel-supply regions such as the Middle East to see what impact, if any, this activity will have on commodity pricing. Refineries are gradually boosting production in an effort to increase available supplies to the global marketplace. The Board continues to actively monitor daily market data, and will adjust maximum fuel prices, as necessary, to balance the needs of consumers and industry.

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