

MEDIA RELEASE

Thursday, July 19, 2007

Maximum fuel prices decrease for most products

New maximum fuel prices will become effective throughout Newfoundland and Labrador (NL) at 12:01 a.m. Thursday, July 19, 2007, as released by the Public Utilities Board, through its Petroleum Pricing Office.

The pricing movements for each fuel under regulation will occur as follows:

- ◆ all types of gasoline will decrease by 0.9/1.0 cents per litre (cpl) – depending on the HST rounding impact in a particular pricing zone;
- ◆ ultra low sulphur diesel in Newfoundland will move downward slightly by 0.5/0.6 cpl, as will low sulphur diesel in Labrador by 0.3/0.4 cpl;
- ◆ furnace and stove oil will increase by 0.46 cpl; and,
- ◆ residential propane used for home heating purposes will see no change.

Substantial gains in the Canadian dollar contributed to dramatic movements in gasoline prices in certain markets over the past couple of days. While understandably consumers in NL are anxious to see prices reduced more quickly when unregulated markets experience a rapid decline, it must be remembered that some of these same markets also saw increased prices during this latest pricing period (July 4-17, 2007) while maximum prices in this province stayed the same. In fact, for much of this period, commodity prices used by the Board to set maximum fuel prices remained high on average. The Board applies its processes and regulatory methodology on a consistent and fair basis ensuring a stable and predictable marketplace for all stakeholders.

Despite recent market-price decreases, many analysts, as of yesterday, are expecting prices to again rise with a forecasted increase in crude oil prices and reports Wednesday of an unexpected dip in U.S. gasoline inventories. Distillate supplies (diesel and furnace/stove oil) are mid-range, which raises questions about where the market will be once seasonal demand for these products resurges later this year when the colder weather sets in. In this province, maximum prices for most fuel products are lower than year-ago levels, and have remained relatively stable in recent weeks.

As always, the Board will continue to monitor the changing circumstances in the commodities and other markets, and will make appropriate adjustments next week should the interruption process warrant it. It is noted that prices set by the Board reflect maximums only and retailers/wholesalers are at liberty to sell below these established maximums at any time.

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