

MEDIA RELEASE

Thursday, March 20, 2008

Maximum prices for home heating oils and diesel continue to rise

Effective 12:01 a.m. Thursday, March 20, 2008, the interruption formula established by the Public Utilities Board, through its Petroleum Pricing Office, has resulted in an increase in the maximum prices for No. 2 blend furnace oil, stove oil and ultra low sulphur diesel in Newfoundland and Labrador (NL).

Maximum prices will increase, except where prices are frozen, as follows:

- ◆ ultra low sulphur diesel by 6.2/6.3 cents per litre (cpl);
- ◆ No. 2 blend furnace oil by 9.02 cpl; and,
- ◆ stove oil by 7.08 cpl.

There will be no change to the maximum prices of residential propane used for home heating purposes or all types of gasoline because the conditions for an interruption at this time were not met.

The commodity markets have undergone yet another extreme period of volatility for many of the refined products, resulting in these significant increases. Some of the factors that contributed to these increases are: colder temperatures along the northeastern seaboard where consumption of heating fuels is highest; increased global consumption of diesel; dwindling supply of distillates as refiners shift their focus to gasoline production; the unrelenting price of crude oil; and, heavy investing in commodities mixed with a falling U.S. dollar.

While consumers may understandably be concerned about these substantial price increases, the Board applies its pricing methodology on a consistent basis to ensure adequate supplies of fuels are available throughout the province. Within its normal processes, the Board will monitor this continuing volatility and adjust maximum prices as appropriate.

The next scheduled pricing adjustment will occur Thursday, March 27, 2008. For more information, along with questions/answers about the interruption formula and fuel-pricing regulation, visit: www.pub.nl.ca.

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