

MEDIA RELEASE

Thursday, June 19, 2008

All maximum fuel prices see increases

Zone 14 price freeze lifted in Labrador

Effective 12:01 a.m. Thursday, June 19, 2008, the Public Utilities Board will establish new maximum prices for all regulated fuel products in Newfoundland and Labrador (NL), as per its scheduled biweekly adjustment.

All maximum fuel prices will increase as follows:

- all types of gasoline by 4.4 or 4.5 cents per litre (cpl) – depending on the HST rounding impact in a particular pricing zone;
- ultra low sulphur diesel (ULSD) by 3.3 or 3.4 cpl – also due to HST rounding;
- furnace and stove oil by 1.35 cpl;
- residential propane used for home heating purposes by 1.2 cpl; and,
- due to the resumption of fuel supplies to Zone 14 (Coastal Labrador North), the price freeze will be lifted at this time resulting in the following increases: 34.1 cpl for gasoline, 45.8 cpl for ULSD and 42.03 for stove oil.

Commodity markets for refined fuel products continued to be elevated and unstable. A variety of factors have affected market conditions, with the most recent being a statement from Saudi Arabia (site of the world's largest known reserves) Friday that it would increase output to help lower prices. While markets reacted positively to this news, it only served to take the edge off the increases already seen during the past two weeks.

Other market news includes: refinery utilization rates are gradually improving; distillate (diesel and furnace/stove oil) prices were affected by increased diesel consumption in Europe, Latin America, the Middle East and Asia; and, fluctuating behaviour of the U.S. economy and dollar, as fuel products are priced in U.S. currency and volumes.

PRICE FREEZE LIFT

In line with established Board guidelines, upon the resumption of the shipping season and the delivery of new fuel supplies via marine tanker, the price freeze will be lifted in Zone 14 (Coastal Labrador North). As the winter supply is depleted, new fuel products have to be purchased at current market prices and these higher costs are reflected in the increased maximum allowable prices effective June 19, 2008. Zone 14 is the last area in the province to have its price freeze lifted.

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