

MEDIA RELEASE

Thursday, July 3, 2008

Changes to maximum fuel prices

The Public Utilities Board will adjust maximum fuel prices in Newfoundland and Labrador effective 12:01 a.m. Thursday, July 3, 2008, as per its scheduled biweekly adjustment.

Maximum fuel prices will change as follows:

- all types of gasoline will increase 0.2 or 0.3 cents per litre (cpl), depending on the HST rounding effect for a particular pricing zone;
- ultra low sulphur diesel will decrease 1.9 or 2.0 cpl – also due to HST rounding;
- furnace and stove oil will be lowered 1.55 cpl; and,
- residential propane used for home heating purposes will increase 2.9 cpl.

The heightened volatility of the commodity markets, which has lingered for some time, showed few signs of easing. Market activity has predominantly revolved around issues of growing global demand for fuel versus tight supply and concerns about being able to meet future demands. Some reports indicated that the ongoing high fuel prices have somewhat impacted consumption, particularly in the U.S. Geopolitical events in Nigeria, Iran, Israel and Libya, as well as U.S. economic news also affected recent pricing.

While prices for refined products, such as gasoline, did not move to the same degree as the new record-setting crude oil prices, they do, however, remain at high levels. The recent broad swings in market activity for petroleum products are tempered in this province by the use of an averaging formula by the Board in setting maximum prices.

The Board is cognizant of consumers' concerns related to affordability issues surrounding fuel prices in this province, and the Board will continue to ensure that maximum prices accurately reflect the market activity upon which local prices are based.

-30-

Media contact: Michelle Hicks, Communications. Tel: 1-866-489-8800 or (709) 489-8837.
E-mail: mhicks@pub.nl.ca, or visit the Board's website: www.pub.nl.ca.