

NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
Petroleum Pricing Office

---

**MEDIA RELEASE**

---

*Thursday, August 28, 2008*

**All maximum fuel prices lowered**

The Public Utilities Board will adjust all maximum fuel prices during its scheduled biweekly pricing adjustment effective 12:01 a.m. Thursday, August 28, 2008.

Maximum prices will decrease as follows:

- all types of gasoline by 0.4 or 0.5 cents per litre (cpl) – depending on the HST rounding impact;
- ultra low sulphur diesel by 3.4 or 3.5 cpl – also depending on the HST rounding;
- furnace and stove oil by 2.77 cpl; and,
- residential propane used for home heating purposes by 2.3 cpl.

Market data for the Aug. 13-26, 2008 pricing period were primarily affected by four factors: the performance of the U.S. dollar versus the euro (a stronger dollar makes fuel less attractive to investors); weather systems, such as Tropical Storm Faye and Hurricane Gustav, creating uncertainty about potential threats to U.S. refining and production in the Gulf of Mexico; geopolitical conflicts involving Russia, the world's second largest oil exporter, with the U.S. and Georgia; and, falling demand for petroleum-based fuels in the U.S. and Europe because of the higher prices.

Many refiners are already preparing for the upcoming home heating season as the traditional peak demand driving season draws to a close following the upcoming long weekend. Distillate (diesel and furnace/stove oil) supplies are in the upper part of the average range for this time of year, while gasoline supplies are believed to be able to handle the remainder of the demand. That is, however, as long as no major factors occur that could impair future supply availability. Refineries are operating 14 per cent below full capacity.

Current maximum heating oil prices in Newfoundland and Labrador are 20 per cent lower than their highest point so far this year in July 2008, while diesel prices have fallen 15 per cent and gasoline nearly 10 per cent.

-30-

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