

MEDIA RELEASE

Thursday, May 7, 2009

Regular Adjustment of Maximum Prices of Regulated Petroleum Products

Price freeze lifted for Zone 11; Seasonal jet blend removed from furnace oil pricing

Effective 12:01 a.m. Thursday, May 7, 2009, the Public Utilities Board, following its regular adjustment schedule, will set maximum prices for all regulated petroleum products in all areas of the province, except where maximum price adjustments remain suspended for the winter season.

With the exception of Zones 11, 11a, 11b and 14, maximum fuel prices will change as follows:

- gasoline will increase by 0.8 or 0.9 cents per litre (cpl) – depending on the HST rounding impact;
- ultra low sulphur diesel (ULSD) will decrease by 4.1 cpl;
- furnace oil will decrease by 3.32 cpl;
- stove oil will decrease by 2.06 cpl; and,
- residential propane used for home heating purposes will decrease by 1.0 cpl.

For Zone 11, the price freeze will be lifted at this time; therefore, maximum fuel prices will change as follows:

- gasoline will decrease by 3.6 cpl;
- ultra low sulphur diesel (ULSD) will decrease by 27.2 cpl; and,
- stove oil will decrease by 22.72 cpl.

The suspension of maximum price adjustments remains in effect for Zones 11a (Coastal Labrador South – Tanker supplied), 11b (Coastal Labrador South – Drum Delivery) and 14 (Coastal Labrador North).

These maximum prices reflect the change in the average benchmark price of the product(s) since the last pricing period. As an example, the average benchmark price for gasoline, as tracked on the New York Mercantile Exchange (NYMEX), converted to Canadian dollars increased over the 14-day period by 0.73 cpl, resulting in a 0.8 cpl increase, accounting for taxation and rounding. The commodity market movements for the period were offset to some extent by a higher Canadian dollar. Since fuel on the commodity markets is priced in U.S. currency, a higher Canadian dollar means it is not as expensive to purchase these products.

SEASONAL JET BLEND – FURNACE OIL

A portion of the decrease in the price of furnace oil is the result of the removal of the jet blend component. This seasonal adjustment reflects the costs associated with mixing 75 per cent jet fuel with 25 per cent furnace oil to improve this fuel's performance during the winter months.

The next scheduled price change will occur Thursday, May 21, 2009.

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