

MEDIA RELEASE

Thursday, April 28, 2011

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products

Pricing methodology adjustments made to reflect changes to product specifications

Effective 12:01 a.m. Thursday, April 28, 2011, the Public Utilities Board will set maximum prices for all regulated petroleum products in all areas of the province, except where maximum price adjustments have been suspended for the winter months.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by 0.1 or 0.2 cents per litre (cpl) – depending on the HST rounding impact;
- diesel motor fuel will decrease by 3.6 or 3.7 cpl on the island, and will decrease by 0.6 or 0.7 cpl in most areas of Labrador (see below for details);
- furnace oil heating fuel will decrease by 2.95 cpl (see below for details);
- stove oil heating fuel will decrease by 0.97 cpl; and,
- propane heating fuel will increase by 0.8 cpl.

These maximum prices reflect the change in the average benchmark price of the products over the seven-day period ending Tuesday of this week. As an example, the average benchmark price for gasoline, as tracked on the New York Mercantile Exchange (NYMEX) and converted to Canadian dollars, increased over the period by 0.12 cpl, resulting in a 0.1 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 costly to purchase these products.

With this adjustment, the pricing methodology for the calculation of the maximum price of furnace oil heating fuel and diesel motor fuel on the island will be adjusted to reflect changes in the specifications of the products supplied in the market. The specific changes are:

- the maximum price of furnace oil heating fuel will be calculated based on 100% No. 2 oil, replacing the blend of 75% jet fuel and 25% No. 2 oil; and,
- the maximum price of diesel motor fuel supplied on the island will be calculated based on 100% ULSD (ultra low sulphur diesel), replacing the blend of 75% ULS Kero (ultra low sulphur kerosene) and 25% ULSD.

As there is no change in the specification of the products supplied to the Labrador market, the methodology used to calculate maximum prices in Labrador will not be changed at this time.

The next scheduled price change is Thursday, May 5, 2011.

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