

PETROLEUM PRODUCTS PRICING REVIEW HIGHLIGHTS FOR ISLAND CONSUMERS AND INDUSTRY

BOARD REQUESTS ADDITIONAL INFORMATION AND COMMENTARY

The Board is seeking additional information and commentary from consumers and industry on the Island as part of its ongoing review of petroleum products pricing regulation in the province. A separate process will be followed for Labrador consumers and industry in the coming weeks.

A significant amount of information has been gathered and analyzed by the Board and its consultants throughout this review and a number of potential changes have been identified. The Board is now inviting consumers and industry to provide their views and further information on these potential changes before the Board makes its determinations.

POTENTIAL CHANGES BEING CONSIDERED

The potential changes being considered by the Board would, if implemented, impact maximum prices on the Island as well as the processes used by the Board for establishing these prices.

- Potential Increases in Maximum Prices -

Based on the information gathered to date wholesale and retail supply costs have increased in recent years. If it is determined that these cost changes should be reflected in the mark-ups and zone differentials, maximum prices for regulated petroleum products in the province may increase. It is estimated that maximum prices in the base zone could increase by 0.7 cents per litre for regular gasoline, 1.6 cents per litre for diesel motor fuel and 4.3 cents per litre for furnace oil. The attached tables set out the estimated impact of potential mark-up and zone differential changes for all areas of the Island.

- Other Potential Changes -

Other identified changes being considered, include:

- Moving the weekly adjustment to Friday to be consistent with other Atlantic provinces;
- a new way of calculating benchmark prices to better reflect product cost;
- furnace oil blending methodology changes to better reflect seasonal changes in the product;
- reducing the number of pricing zones in the province to simplify pricing;
- discontinuing the pricing of stove oil heating fuel on the Island based on sales volumes; and,
- more frequent reviews in the future of wholesale and retail cost changes to promote efficient and effective price regulation.

In addition, the Board may recommend legislative amendments regarding benchmarking for higher grades of gasoline motor fuel and to provide more discretion for the Board in establishing maximum prices.

CONSULTATION DOCUMENTS AND OTHER INFORMATION

For more details about the potential changes which may be considered for petroleum products pricing regulation on the Island please see the Board's Island Consultation Document. A separate consultation document will be issued in relation to Labrador in the coming weeks.

Other information and commentary gathered thus far in this review can be viewed on the Board's website.

HOW TO PROVIDE INPUT

Consumers and industry are invited to provide additional information and feedback as to the potential changes being considered for petroleum products pricing regulation on the Island. This feedback will be considered by the Board before it makes any changes to maximum prices, the price setting process, and before it makes any recommendations to government.

Interested persons or industry organizations can participate in the consultation process by making a presentation or filing a letter of comment.

- Requests to make a presentation must be submitted to the Executive Director and Board Secretary, Jo-Anne Galarneau, by email at board@pub.nl.ca by **Monday, July 15, 2024**.
- Letters of comment should be filed by **Friday, August 16, 2024**.

Comments and presentation requests must include full name, address, phone number and/or email. For additional information please contact the Board as follows:

Office: Suite E210, Prince Charles Building, 120 Torbay Road, St. John's

Mail: P.O. Box 21040, St. John's, NL, A1A 5B2

Telephone: (709) 726-8600 or 1-866-782-0006 (toll free)

E-mail: board@pub.nl.ca

Regular Gasoline Motor Fuel Potential Mark-Up, Zone and Zone Differential Changes Cents Per Litre			
Island Zones	Mark-Ups and Zone Differentials		Potential Change
	Current	Potential	
1 - Avalon Peninsula	25.93	26.6	+0.7
1a - Bell Island	26.41	27.3	+0.9
2 - Burin Peninsula / Bonavista Peninsula	27.54	29.0	+1.5
3 - Central Newfoundland / Notre Dame Bay East	28.11	29.9	+1.8
3a - St. Brendan's (Island)	31.81	37.4	+5.6
3b - Fogo Island (To be merged into Zone 3a) ^	32.25	37.4	+5.2
3c - Change Islands (To be merged into Zone 3a) ^	35.53	37.4	+1.9
4 - Connaigre Peninsula	31.05	34.2	+3.2
4a - Gaultois / McCallum / Rencontre East	36.41	38.7	+2.3
5 - Springdale - Green Bay / Triton / Baie Verte Peninsula	29.35	31.7	+2.4
5a - Long Island	32.9	37.0	+4.1
5b - Little Bay Islands (To be removed)	n/a	n/a	n/a
6 - Deer Lake / Corner Brook / Bay of Islands / Gros Morne	26.55	27.5	+1.0
7 - Stephenville / Port au Port / Codroy Valley / Channel-Port aux Basques / Burgeo	27.32	28.7	+1.4
7a - Ramea	36.72	42.4	+5.7
7b - Grey River / François / Grand Bruit / La Poile (To be merged into Zone 7a) ^	40.38	42.4	+2.0
8 - Northern Peninsula - Gros Morne National Park to Bellburns	27.48	28.9	+1.4
9 - Northern Peninsula to Englee and St. Anthony	29.21	31.5	+2.3

Diesel Motor Fuel Potential Mark-Up, Zone and Zone Differential Changes Cents Per Litre			
Island Zones	Mark-Ups and Zone Differentials		Potential Change
	Current	Potential	
1 - Avalon Peninsula	28.10	29.7	+1.6
1a - Bell Island	28.58	30.4	+1.8
2 - Burin Peninsula / Bonavista Peninsula	29.71	32.1	+2.4
3 - Central Newfoundland / Notre Dame Bay East	30.28	33.0	+2.7
3a - St. Brendan's (Island)	33.98	40.5	+6.5
3b - Fogo Island (To be merged into Zone 3a) ^	34.42	40.5	+6.1
3c - Change Islands (To be merged into Zone 3a) ^	37.70	40.5	+2.8
4 - Connaigre Peninsula	33.22	37.3	+4.1
4a - Gaultois / McCallum / Rencontre East	36.19	41.8	+5.6
5 - Springdale - Green Bay / Triton / Baie Verte Peninsula	31.52	34.8	+3.3
5a - Long Island	35.07	40.1	+5.0
5b - Little Bay Islands (To be removed)	n/a	n/a	n/a
6 - Deer Lake / Corner Brook / Bay of Islands / Gros Morne	28.72	30.6	+1.9
7 - Stephenville / Port au Port / Codroy Valley / Channel-Port aux Basques / Burgeo	29.49	31.8	+2.3
7a - Ramea	31.78	38.4	+6.6
7b - Grey River / François / Grand Bruit / La Poile (To be merged into Zone 7a) ^	37.7	38.4	+0.7
8 - Northern Peninsula - Gros Morne National Park to Bellburns	29.65	32.0	+2.4
9 - Northern Peninsula to Englee and St. Anthony	31.38	34.6	+3.2

Furnace Oil Heating Fuel Potential Mark-Up, Zone and Zone Differential Changes Cents Per Litre			
Island Zones	Mark-Ups and Zone Differentials		Potential Change
	Current	Potential	
1ANE - Avalon Peninsula Northeast	27.38	31.7	+4.3
1ANW - Avalon Peninsula Northwest	30.38	36.2	+5.8
1AS - Avalon Peninsula South	31.68	38.1	+6.4
1a - Bell Island	28.68	33.6	+4.9
2 - Burin Peninsula / Bonavista Peninsula	31.68	38.1	+6.4
3 - Central Newfoundland / Notre Dame Bay East	31.38	37.7	+6.3
3a - St. Brendan's (Island)	34.38	42.6	+8.2
3b - Fogo Island (To be merged into Zone 3a)^	33.88	42.6	+8.7
3c - Change Islands (To be merged into Zone 3a)^	35.78	42.6	+6.8
4 - Connaigre Peninsula	34.58	42.4	+7.8
4a - Gaultois / McCallum / Rencontre East	44.68	54.0	+9.3
5 - Springdale - Green Bay / Triton / Baie Verte Peninsula	31.88	38.4	+6.5
5a - Long Island	32.38	39.2	+6.8
5b - Little Bay Islands (To be removed)	n/a	n/a	n/a
6 - Deer Lake / Corner Brook / Bay of Islands / Gros Morne	28.28	33.0	+4.7
7 - Stephenville / Port au Port / Codroy Valley / Channel-Port aux Basques (Formerly Zone 7W)	31.68	40.0	+8.3
7SE - Burgeo (To be merged with Former Zone 7W and renamed as Zone 7)^	34.18	40.0	+5.8
7a - Ramea	37.78	47.1	+9.3
7b - Grey River / François / Grand Bruit / La Poile (To be merged into Zone 7a)^	43.88	47.1	+3.2
8 - Northern Peninsula - Gros Morne National Park to Bellburns	29.28	34.5	+5.2
9 - Northern Peninsula to Englee and St. Anthony	33.88	41.4	+7.5