

MEDIA RELEASE

Thursday, April 7, 2022

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products

Effective 12:01 a.m. Thursday, April 7, 2022, the Public Utilities Board set maximum prices for regulated petroleum products in all areas of the province, except where maximum price adjustments have been suspended.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will decrease by up to 2.9 cents per litre (cpl);
- diesel motor fuel on the Island will decrease by up to 12.1 cpl;
- diesel motor fuel in Labrador will see no change;
- furnace oil heating fuel will decrease by 9.54 cpl;
- stove oil heating fuel on the Island will decrease by 0.68 cpl;
- stove oil heating fuel in Labrador will see no change; and,
- propane heating fuel will increase by 1.9 cpl.

Except as set out below, these maximum prices reflect the change in the average benchmark price of the products over the current pricing period. As an example, the average benchmark price for gasoline, as tracked on the New York Mercantile Exchange (NYMEX) and converted to Canadian dollars, decreased over the period by 2.52 cpl, resulting in a decrease of up to 2.9 cpl, accounting for taxation and rounding.

With this adjustment, the calculation of the maximum price of furnace oil heating fuel and diesel motor fuel on the Island will reflect the following changes with respect to seasonal blending:

- The maximum price of furnace oil heating fuel is calculated based on 25% Jet and 75% Ultra Low Sulphur Diesel (ULSD), replacing the blend of 75% Jet and 25% ULSD.
- The maximum price of diesel motor fuel supplied on the Island is calculated based on 25% Ultra Low Sulphur Kerosene (ULSK) and 75% ULSD, replacing the blend of 75% ULSK and 25% ULSD.

While the seasonal blending of these products is normally lifted with the first scheduled pricing adjustment in April, the Board has determined that the lifting of the blend should be phased-in over a period of time. This determination was made considering recent extraordinary commodity market activity and available information with respect to the specifications of the product currently supplied in the market, and the prices paid for these products and current inventories. In particular over the last few weeks there have been significant increases in the benchmark prices for ULSK and Jet at the same time as decreases in the benchmark prices for ULSD. This has resulted in an unusual differential in the benchmark prices for these products.

In addition as a result of the recent extraordinary commodity market activity maximum prices will not be changed at this time for diesel motor fuel and stove oil heating fuel in Zone 13 – Western Labrador and Zone 13a – Churchill Falls. An extraordinary adjustment was implemented for these products in these two zones on Tuesday, April 5, 2022, and the Board has determined that a further adjustment is not warranted at this time. Price adjustments for all products, with the exception of propane heating fuel, continue to be suspended in other Labrador pricing zones.

While the Board’s next price change is scheduled for Thursday, April 14, 2022 the Board continues to monitor the daily benchmark prices for motor fuels and heating fuels using the prescribed sources set out in the Petroleum Products Regulations and will adjust maximum prices outside the scheduled adjustment if circumstances warrant.

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