

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

MEDIA RELEASE

Saturday, April 30, 2022

**Extraordinary Adjustment of Maximum Prices and
Taxation Changes for Regulated Petroleum Products**

Saturday, April 30, 2022 and Sunday, May 1, 2022

Maximum prices for certain regulated petroleum products will be adjusted twice this weekend, first on Saturday, April 30, 2022 to reflect an extraordinary adjustment, and then again on Sunday, May 1, 2022 to reflect increases in the carbon tax applicable to gasoline and diesel motor fuels.

Saturday, April 30, 2022 Extraordinary Adjustment

Due to recent commodity market developments, the Public Utilities Board will again intervene and adjust maximum prices for certain regulated petroleum products outside of its regular pricing schedule. As a result of another significant upward shift overnight in the benchmarks used to set maximum prices for diesel motor fuel and furnace oil and stove oil heating fuels, the Board has determined that an extraordinary adjustment is warranted at this time.

Effective 12:01 a.m. Saturday, April 30, 2022, the Board set maximum prices for certain regulated petroleum products in all areas of the province except where maximum price adjustments have been suspended. The changes to maximum prices are as follows:

- diesel motor fuel on the Island will increase by up to 17.0 cents per litre (“cpl”);
- diesel motor fuel in Labrador will increase by 18.0 cpl;
- furnace oil heating fuel will increase by 14.73 cpl;
- stove oil heating fuel on the Island will increase by 14.62 cpl; and,
- stove oil heating fuel in Labrador will increase by 15.64 cpl.

These maximum prices reflect the change in the average benchmark price of the products since last adjusted by the Board on Friday, April 29, 2022. As an example, the average benchmark price for diesel motor fuel on the Island converted to Canadian dollars, increased by 14.72 cpl, resulting in an increase of up to 17.0 cpl, accounting for taxation and rounding.

Sunday, May 1, 2022 Special Adjustment for Carbon Tax Increase

Effective 12:01 a.m. May 1, 2022 the Public Utilities Board set maximum prices for regulated gasoline and diesel motor fuels in all areas of the province, including zones where maximum price adjustments have been suspended. The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to 2.6 cpl; and
- diesel motor fuel will increase by up to 3.1 cpl.

This special price adjustment reflects recent changes to carbon taxes applicable to gasoline and diesel motor fuels. For complete details of these changes and impacts see the attached Backgrounder.

While the Board's next regularly scheduled price adjustment is scheduled for Thursday, May 5, 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 continue to make adjustments to maximum prices outside the scheduled adjustment if circumstances warrant.

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BACKGROUNDER TO MEDIA RELEASE
Embargo until 12:01 am Saturday, April 30, 2022

Special Adjustment for Carbon Tax Increases

On April 7, 2022 the Department of Finance Tax Administration Division issued Bulletin No. RAA-CARBON-004. That Bulletin details the introduction of increased carbon taxes applicable to gasoline and diesel motor fuels effective Sunday, May 1, 2022 as follows:

Product	Old Carbon Tax Rates Effective July 1, 2021 to April 30, 2022	New Carbon Tax Rates Effective May 1, 2022
Gasoline	8.84 cpl	11.05 cpl
Diesel	10.73 cpl	13.41 cpl

This special price adjustment to be effective 12:01 a.m., May 1, 2022 reflects the impact on pricing of the increase in carbon tax on gasoline and diesel motor fuels, including HST. The changes to the applicable taxation amounts and the impacts on maximum prices, including HST, are provided below.¹

Product	Change in Applicable Carbon Tax	Impact on Maximum Prices (including HST)
Gasoline	+2.21 cpl	+2.54 cpl
Diesel	+2.68 cpl	+3.08 cpl

Details of the changes in tax rates can be found in the Department of Finance Tax Administration Division's Bulletin No. RAA-CARBON-004.

¹ Actual impact on maximum prices may vary slightly by pricing zone due to rounding in the Board's maximum pricing methodology.