

MEDIA RELEASE

June 2, 2016

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products

Effective 12:01 a.m. Thursday, June 2, 2016, the Public Utilities Board set maximum prices for all regulated petroleum products in all areas of the province, including automotive fuels in areas where maximum price adjustments have been suspended for the winter months. Heating fuel prices in those areas where maximum price adjustments have been suspended for the winter months will not change.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to 17.8 cents per litre (cpl);
- diesel motor fuel will increase by up to 6.1 cpl;
- furnace oil heating fuel will increase by 0.32 cpl;
- stove oil heating fuel will increase by 0.32 cpl; and,
- propane heating fuel will see no change.

For all areas, except those areas where maximum price adjustments have been suspended for the winter months, 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 0.75 cpl; however, implementation of new provincial tax results in an increase of up to 17.8 cpl, accounting for taxation and rounding.

For all areas, including those where maximum price adjustments have been suspended for the winter months, this price adjustment reflects the increase in the provincial fuel tax applied to automotive fuels announced in the April 14, 2016 provincial budget. For complete details of these impacts see the attached Backgrounder.

The next scheduled price change is Thursday, June 9, 2016.

-30-

Media contact: Cheryl Blundon, Director Corporate Services, Tel: 1-866-782-0006
Email: cblundon@pub.nl.ca or visit the Board's website: www.pub.nl.ca.

Backgrounder

On April 14, 2016, following the tabling of the provincial budget, the Department of Finance Tax Administration Division issued Bulletin No. RAA-GAS-001. That Bulletin details the increase in the provincial taxes applicable to gasoline and diesel automotive fuels effective June 2, 2016 as follows:

Product	New Rate	Old Rate
Gasoline	33 cpl	16.5 cpl
Diesel	21.5 cpl	16.5 cpl

In the same Bulletin government announced a reduced tax rate of 23 cpl on gasoline for Labrador West (Labrador City and Wabush) and Southern Labrador (from the Quebec Border to and including the community of Red Bay). For pricing purposes Labrador West is the Board's Pricing Zone 13 and Southern Labrador is Pricing Zone 10.

The Board's price adjustment for June 2, 2016 reflects the impact in pricing of the increase in the provincial fuel tax including HST as follows:

Product	Tax Increase	With HST
Gasoline all Zones (except 10 and 13)	16.5 cpl	18.65 cpl
Gasoline Zone 10	8 cpl	9.04 cpl
Gasoline Zone 13	6.5 cpl	7.35 cpl
Diesel All Zones	5 cpl	5.65 cpl

For those pricing zones where maximum price adjustments have been suspended for the winter months prices will only be adjusted to reflect the change in the provincial fuel taxes.

Details of the changes in tax rates can be found in the Department of Finance Tax Administration Division Bulletin No. RAA-GAS-001 at: http://www.fin.gov.nl.ca/fin/publications/gas_tax.pdf.