

MEDIA RELEASE

June 1, 2017

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products

Effective 12:01 a.m. Thursday, June 1, 2017, the Public Utilities Board set maximum prices for all regulated petroleum products in all areas of the province, including gasoline automotive fuel in areas where maximum price adjustments have been suspended for the winter months. This maximum price adjustment includes the 8.5 cents per litre (cpl) decrease in the provincial fuel tax applied to gasoline automotive fuel as announced in the April 6, 2017 provincial budget. Prices for heating and diesel fuels in those areas where maximum price adjustments have been suspended for the winter months will not change. For complete details of the impacts of changes to the provincial fuel tax please see the attached Backgrounder.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will decrease by up to:
 - 0.6 cpl in Zones 10 and 13;
 - 9.8 cpl in Zones 11a and 14; and,
 - 10.3 cpl in all other zones.
- diesel motor fuel will decrease by up to 0.9 cpl;
- furnace oil heating fuel will decrease by 0.52 cpl;
- stove oil heating fuel will decrease by 0.52 cpl; and,
- propane heating fuel will increase by 0.9 cpl.

For all areas, except those areas where maximum price adjustments have been suspended for the winter months, these maximum prices also 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 0.45 cpl; however, changes to the provincial tax results in a decrease of up to 10.3 cpl in most zones, accounting for taxation and rounding.

The next scheduled price change is Thursday, June 8, 2017.

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Backgrounder

On May 5, 2017, following the tabling of the provincial budget, the Department of Finance Tax Administration Division issued Bulletin No. RAA-GAS-002. That Bulletin details, in part, the decrease in the provincial fuel tax applicable to gasoline automotive fuel effective June 1, 2017 as follows:

Product	Current Rate	Rate as of June 1, 2017
Gasoline	33 cpl	24.5 cpl

In the same Bulletin government announced that until December 1, 2017 the reduced tax rate of 23 cpl on gasoline automotive fuel acquired at a retail sale in Labrador West (Labrador City and Wabush) and Southern Labrador (from the Quebec border to and including the community of Red Bay) will continue to be imposed. 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 1, 2017 reflects the impact in pricing of the decrease in the provincial fuel tax including HST as follows:

Product	Tax Change	Benchmark Change	Total Change with HST
Gasoline (Zones 10 and 13)	0 cpl	-0.4477 cpl	-0.5 cpl*
Gasoline (Zones 11a and 14)	-8.5 cpl	0 cpl	-9.8 cpl
Gasoline (All other Zones)	-8.5 cpl	-0.4477 cpl	-10.3 cpl

*decrease by up to 0.6 cpl in Zone 13 due to rounding

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

Details of the changes in tax rates can be found in the Department of Finance Tax Administration Division Bulletin No. RAA-GAS-002 at: http://www.fin.gov.nl.ca/fin/publications/RAA-GAS-02_gasoline_tax_general.pdf