

NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2020-11-26

To: Stakeholders who have submitted Comments

Re: 2020 Labrador Petroleum Products Pricing Review

This is in follow up to your comments filed with the Board in the ongoing Labrador Petroleum Products Pricing Review. The Board thanks you for participating in the review. We are writing to advise of changes made this week with respect to the pricing of petroleum products in Labrador which arise as part of the review.

While the review is ongoing a number of significant issues were raised recently which required the Board to make changes in advance of the conclusion of the review. In Order No. P.P 58(2020) the Board approved i) increases in zone differentials on an interim basis for gasoline and diesel motor fuels in Zones 10, 11, 11b and 12 and for stove oil in Zone 10, ii) a new benchmark for stove oil heating fuel for all zones except Zones 11a and 14, and iii) a suspension of maximum price adjustments for this winter in Zones 10, 11, 11b and 12. These changes were made at this time to address urgent issues and concerns as to the viability of suppliers, wholesalers and retailers and the continued supply of motor and heating fuels in the region pending the completion of the Board's ongoing review, and will result in maximum fuel prices which better reflect the cost to supply fuels in the region. The Board expects that work in relation to the review will continue over the next several months as the comprehensive research and study necessary to finalize the issues and decide upon the most appropriate course of action is completed.

Information related to the review and the changes made this week, including the Board's order, the media release and the backgrounder, is available on the Board's website www.pub.nl.ca (http://www.pub.nl.ca/applications/ReviewLabradorPetroPricing/documents.htm).

If you have any questions please contact Cheryl Blundon, Director of Corporate Services and Board Secretary, by email (<u>cblundon@pub.nl.ca</u>).

Sincerely,

ndo Cheryl Blundon

Director of Corporate Services and Board Secretary

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