

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.P. 11(2016)

1 **IN THE MATTER OF** the *Petroleum*
2 *Products Act*, SNL 2001, Chapter P-10.1
3 and regulations thereunder; and
4

5 **IN THE MATTER OF** establishing a
6 maximum price for propane heating fuel
7 in certain pricing zones in the Province of
8 Newfoundland and Labrador.
9

10
11 **WHEREAS** the *Petroleum Products Act*, SNL 2001, c. P-10.1, (the "*Act*") sets out the Board's
12 authority to establish a maximum price for regulated petroleum products in the Province; and
13

14 **WHEREAS** pursuant to its authority to establish a maximum price for regulated petroleum
15 products the Board has, on a weekly basis, set a maximum price for propane heating fuel in all
16 zones in the Province except Zones 3a, 3b, 3c, 4a, 5a, 5b, 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a
17 and 14; and
18

19 **WHEREAS** a maximum price for propane heating fuel has not been established in Zones 3a, 3b,
20 3c, 4a, 5a, 5b, 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a and 14 on the basis that propane heating fuel
21 was not being supplied in these zones; and
22

23 **WHEREAS** the Board has recently learned that propane heating fuel is now being supplied in
24 Zone 13; and
25

26 **WHEREAS** the maximum price established by the Board for regulated petroleum products is
27 based on the product specific benchmark price, the total allowed margin for the product, and the
28 zone differential reflecting the cost to supply the product to the zone; and
29

30 **WHEREAS** a differential has never been established for propane heating fuel in Zones 3a, 3b,
31 3c, 4a, 5a, 5b, 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a and 14 and specific zone costing information
32 is not available for the supply of propane heating fuel to these zones; and
33

34 **WHEREAS** the established differentials for other heating fuels in Zones 3a, 3b, 3c, 4a, 5a, 5b,
35 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a and 14 reflect the incremental cost to transport, store and
36 deliver other heating fuel products to these zones; and

1 **WHEREAS** the Board has determined that a maximum price for propane heating fuel should be
2 established for Zones 3a, 3b, 3c, 4a, 5a, 5b, 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a and 14 and that
3 it is reasonable to use the current heating fuel zone differentials in these zones as the basis for
4 determining the propane heating fuel zone differentials.

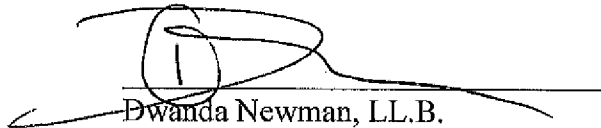
5
6 **IT IS THEREFORE ORDERED THAT:**
7

- 8 1. The maximum price of propane heating fuel in Zones 3a, 3b, 3c, 4a, 5a, 5b, 7a, 7b, 10, 11,
9 11a, 11b, 12, 13, 13a and 14 shall be established with the pricing adjustment taking effect
10 March 17, 2016.
- 11
12 2. The differentials to be used in establishing the maximum price for propane heating fuel in
13 Zones 3a, 3b, 3c, 4a, 5a, 5b, 7a, 7b, 10, 11, 11a, 11b, 12, 13, 13a and 14 shall be those set out
14 in the attached Schedule 'A'.

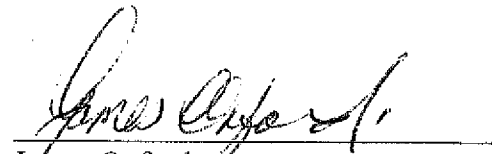
DATED at St. John's, Newfoundland and Labrador, this 16th day of March, 2016.



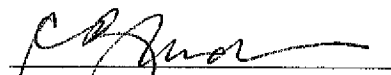
Darlene Whalen, P.Eng.
Vice-Chair



Dwanda Newman, LL.B.
Commissioner



James Oxford
Commissioner



Cheryl Blundon
Board Secretary

Propane Heating Fuel		
Zone	Zone Description	Differential
3a	St. Brendan's (Island)	5
3b	Fogo Island	4.5
3c	Change Islands	6.4
4a	Gaultois / McCallum / Rencontre East	15.3
5a	Long Island	3
5b	Little Bay Islands	3.4
7a	Ramea	8.4
7b	Grey River / François / Grand Bruit / La Poile	14.5
10	Labrador - The Straits to Red Bay	6.5
11	Labrador South - Lodge Bay / Cartwright	15.2
11a	Coastal Labrador South - Tanker Supplied	23.4
11b	Coastal Labrador South - Drum Delivery	33.2
12	Central Labrador	1.2
13	Western Labrador	3.2
13a	Churchill Falls	5.3
14	Coastal Labrador North	23.4