

## **MEDIA RELEASE**

### **Gasoline prices lowered early**

Effective 12:01 a.m. Thursday, Oct. 13, 2005, the Public Utilities Board, through its Petroleum Pricing Office (PPO), will lower the maximum allowable prices for all grades of gasoline by 11.6 cents per litre (cpl) in Newfoundland and Labrador (NL).

Because of the significant downward trending in world markets, primarily led by reports of reduced global consumption as a result of ongoing high fuel prices, the Board is applying an early adjustment to decrease maximum prices for gasoline that would normally be set on the 15<sup>th</sup> of the month. The Board carried out similar action Sept. 13, 2005 (see Petroleum Pricing Press Releases at [www.pub.nl.ca](http://www.pub.nl.ca)).

There will be no change at this time in the maximum prices of the other petroleum products, which include automotive diesel, furnace/stove oil and residential propane for home heating purposes. These adjustments will be made as per the regular schedule on Saturday, Oct. 15.

The Board has expedited this price change, which would ordinarily become effective Oct. 15, to provide consumers with more immediate reduced maximum prices for gasoline consistent with the recent significant decreases on the New York Mercantile Exchange (NYMEX). The Board sets only the maximum prices for all fuels it regulates in NL, and industry is permitted to sell at or below this amount at any time. It is disappointing that industry stakeholders did not move to reduce pump prices in advance of the mid-month adjustment, as it clearly could have based on the market data used for this price change; instead, the Board is placed in a position where it must act in the interests of consumers.

One of the principles of sound regulation is to balance the interests of all stakeholders in a fair, equitable and responsive manner. Reducing maximum prices in a more immediate fashion ensures that consumers receive the benefit of such a large decrease in pump prices sooner, just as the Board has acted on the behalf of wholesalers and retailers in the past to increase maximum gasoline prices through the use of the interruption formula - the most recent being Oct. 1 by 3.2/3.3 cpl and Oct. 8 by 4.4 cpl - or other interventions for their benefit.

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