

NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
Petroleum Pricing Office

MEDIA RELEASE

Thursday, March 29, 2007

Prices for gasoline up slightly, furnace/stove oil down

The Public Utilities Board, through its Petroleum Pricing Office, will make the scheduled biweekly adjustment to the maximum prices for all fuels in Newfoundland and Labrador (NL), except in regions under a price freeze.

Effective 12:01 a.m. Thursday, March 29, maximum fuel prices will change as follows:

- all types of gasoline will increase by 0.6/0.7 cents per litre (cpl) – depending on the HST rounding impact in a particular pricing zone;
- automotive diesels will decrease - ultra low sulphur diesel in Newfoundland by 0.2/0.3 cpl, and low sulphur diesel in Labrador by 0.3/0.4 cpl;
- No. 2 blend furnace oil will be lowered 0.54 cpl, while stove oil will decrease 1.52 cpl; and,
- residential propane used for home heating purposes will rise by 1.5 cpl.

Market data throughout this pricing period (March 14-27) saw prices for refined fuels fluctuate somewhat both up and down, but remain stable overall. The biggest event affecting the market, which may have future commodity-pricing implications, happened earlier this week with concerns over fuel supply disruptions arising from increasing diplomatic tensions involving Iran, OPEC's (Organization of Petroleum Exporting Countries) second largest exporter. Another notable factor is that gasoline inventories throughout North America are nearly five per cent lower than last year heading into the peak demand driving season. With many refineries undergoing routine maintenance to prepare for increased gasoline production, the supply/demand scenarios which will emerge over the coming weeks will play a critical role in determining the price consumers can expect to pay for gasoline throughout the spring/summer period.

Unfortunately gasoline prices in NL, and indeed throughout North America, remain dependent on the volatilities created in the international marketplace. While analysts continue to speculate on future pump prices for gasoline, factors influencing the commodity markets point to considerable uncertainty ahead. The Board will monitor these changing market conditions and adjust prices in accordance with its established regulatory processes to ensure an adequate and continuous supply of product to consumers throughout the province.

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Media contact: Michelle Hicks, Communications. Tel: 1-866-489-8800 or (709) 489-8837
E-mail: mhicks@pub.nl.ca or visit the website: www.pub.nl.ca.