

MEDIA RELEASE

Thursday, April 5, 2007

Prices increase for diesel fuel and heating oil

The Public Utilities Board, through its Petroleum Pricing Office, will use the interruption formula (IF) to adjust the maximum prices of distillate fuels (automotive diesels, as well as No. 2 blend furnace oil and stove oil) in all regions, except those currently under a price freeze.

Effective 12:01 a.m. Thursday, April 5, 2007, maximum prices will increase as follows:

- ultra low sulphur diesel in Newfoundland by 5.4/5.5 cents per litre (cpl) and low sulphur diesel in Labrador by 5.2/5.3 cpl – depending on the HST rounding impact in a particular pricing zone;
- No. 2 blend furnace oil by 4.08 cpl; and,
- stove oil by 4.27 cpl.

The IF criteria were not met for the other fuel products under regulation, including all types of gasoline and residential propane used for home heating, and there will be no changes to their maximum prices at this time.

Distillate fuels have been subjected to many of the same pricing pressures that have led to recent increases in gasoline prices. Inventory reports out of the U.S., the world's largest consumer of fuel, have shown declines in distillate supplies for the past nine consecutive weeks. Reduced inventories coupled with rising political tensions between Iran, the location of the world's several largest oil and gas reserves, and Britain concerning captured British soldiers continue to contribute to volatile and uncertain pricing of refined fuels on NYMEX (New York Mercantile Exchange). NYMEX is used by the Board in setting maximum prices for gasoline, automotive diesel and heating fuels throughout Newfoundland and Labrador.

For more information about fuel-pricing regulation and the interruption formula, please visit the Board's website: www.pub.nl.ca.

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