

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

MEDIA RELEASE

Thursday, May 24, 2007

Maximum gasoline prices continue upturn; other fuels stable

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

Effective 12:01 a.m. Thursday, May 24, 2007, maximum fuel prices will change as follows:

- ◆ all types of gasoline will increase by 3.1/3.2 cents per litre (cpl), depending on the HST rounding impact for each pricing zone;
- ◆ ultra low sulphur diesel in Newfoundland will move upward by 0.2/0.3 cpl, while low sulphur diesel in Labrador will rise by 0.6 cpl;
- ◆ No. 2 furnace oil and stove oil will increase 0.20 cpl; and,
- ◆ residential propane used for home heating purposes will decrease 0.7 cpl.

During this pricing period (May 9-22), the second week of market data from NYMEX (New York Mercantile Exchange) have posted strong increases overall. Despite the strength of the Canadian dollar and a significant dip experienced in this past Tuesday's commodity pricing, gasoline prices have escalated to their highest level since July 2006. While NL escaped this latest price surge during the recent Victoria Day weekend, increased travel during the upcoming Memorial Day weekend in the U.S. heading into the peak summer driving season has predictably contributed to this latest jump. Geopolitical hotspots in Nigeria and Iran along with persistent refinery glitches are also reported to be restraining future supply considerations, adding upward pricing pressure to an already volatile marketplace. Market analysts are unfortunately not predicting any relief in these gasoline prices in the near term.

Conversely, the commodity markets for automotive diesel and the heating oils (both belonging to the distillate group of fuels) saw relative stability. Distillate supplies remain generally healthy and should result in an easing of price concerns for these products.

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