

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

MEDIA RELEASE

Thursday, September 27, 2007

Maximum gasoline prices dip slightly; other fuels to increase

The Public Utilities Board, through its Petroleum Pricing Office, has set new maximum fuel prices in Newfoundland and Labrador (NL) effective 12:01 a.m. Thursday, September 27, 2007, as per its scheduled biweekly adjustment.

A breakdown of the maximum price movement for each of the regulated fuels includes:

- ◆ all types of gasoline will decrease by 0.2/0.3 cents per litre (cpl) - depending on the HST rounding impact for a particular pricing zone;
- ◆ ultra low sulphur diesel will increase by 1.8/1.9 cpl;
- ◆ furnace/stove oil will move upward by 1.39 cpl; and,
- ◆ residential propane used for home heating purposes will rise 0.4 cpl.

This pricing period (Sept. 12-25) showed market data for gasoline inch upward for most of the session only to back off during the last few days. Fuel-pricing calculations were impacted positively by the strong performance of Canadian dollar, which acted to somewhat offset upswings in the market.

NYMEX (New York Mercantile Exchange) gasoline prices, while relatively stable over the short term, continue to be directly affected by below-average U.S. inventories; a slowdown in economic growth; factors that threaten future supply availability; and, strong demand despite high prices. As well, refinery capacity has not been maximized, as more facilities shut for maintenance or to combat unscheduled problems, such as storms/hurricanes or other disruptions.

A major concern on the horizon for consumers is the price of home heating fuel, with maximum prices already above year-ago levels locally. Refiners are trying to rebuild inventories to ensure peak demand is met. Pressures on distillates (a group of fuels that includes furnace/stove oil and diesel) have stemmed from fears that consumption will outstrip supplies; the possibility of a longer and colder-than-average winter; and, increasing global demand for diesel, especially in Asia and Europe.

-30-

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