

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

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**MEDIA RELEASE**

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*Thursday, May 29, 2008*

**Interruption necessary for maximum furnace, stove oil prices**

The criteria for the Public Utilities Board's interruption formula (IF) were met for furnace and stove oil resulting in an increase of 4.24 cents per litre (cpl) to their maximum prices effective 12:01 a.m. Thursday, May 29, 2008.

There will be no changes to maximum prices for other regulated fuels or in areas of the province where prices are frozen. Maximum prices for all types of gasoline, automotive diesel and residential propane used for home heating purposes, last established May 22, 2008, will remain in effect.

All refined fuel products monitored by the Board experienced increases this past week due to extremely sensitive commodity markets; however, only furnace and stove oil moved enough to trigger an interruption. While this is considered to be the off-peak demand season for heating fuels, the demand for distillates (which includes furnace, stove oil and diesel) remains strong. This is especially the case in China (second only to the U.S. in energy use) where imports were increased to assist in the relief effort for the recent massive earthquake, as well as to ensure sufficient supplies are available for the Olympics in August.

This is also considered to be the time of year refiners rebuild their stockpiles in preparation for the colder months. Instead, inventories have been stagnant or in a state of decline. Events affecting supply are also placing upward pressure on fuel prices, including a resurgence of violence in Nigeria, which shut down more of its production and output, and reports of a slump in production in Mexico.

Barring any extraordinary events the next scheduled price change is Thursday, June 5, 2008.

**BACKGROUND**

**Regulation schedule:** The Public Utilities Board sets maximum prices for petroleum products every two weeks on a Thursday. Every Thursday following a scheduled adjustment, consumers will experience either no change in price or a change triggered by the criteria being met for the interruption formula (IF). Visit [www.pub.nl.ca](http://www.pub.nl.ca) for more information.

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