

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
**NEWFOUNDLAND AND LABRADOR**

**PETROLEUM PRODUCTS PRICING**

**Review of Labrador Maximum Price Freeze Policy  
Consultation Paper**

**FEBRUARY 18, 2009**

Document released for stakeholder comment and feedback. Comments and/or submissions should be received by the Board no later than Friday, March 27, 2009 and should include name, mailing address, phone number and e-mail address if possible. You may send your comments and/or submissions in writing, by mail, fax, email or web feedback to the contact information below:

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## **1.0 Introduction**

The Newfoundland and Labrador Public Utilities Board (the “Board”) is undertaking a consultation process in relation to the annual freeze of the maximum price of regulated petroleum products in certain areas of Labrador. This process will address issues surrounding the freeze during the winter months of the maximum price of all regulated petroleum products in Zones 11 and 14. The purpose of this consultation process is to seek input from interested persons affected by this policy to determine if a variation to, continuance of, or discontinuance of the policy in whole or in part is appropriate.

## **2.0 Fuel Price Regulation**

Regulation of the maximum price of petroleum products in Newfoundland and Labrador began in the fall of 2001 with the enactment of the *Petroleum Products Act*. The stated objective of the legislation was to establish a process that would foster pricing stability, predictability and transparency. Initially maximum prices were regulated by the Petroleum Products Pricing Commission but in 2004 this responsibility was transferred to the Board. The Board is now responsible for setting the maximum wholesale and retail price for all types of gasoline and automotive ultra low sulphur diesel, furnace and stove oil, and residential propane used primarily for home heating purposes.

After assuming responsibility for regulation of the maximum price of petroleum products the Board initiated a comprehensive review of the pricing model. Following this review the Board implemented a number of changes to its pricing model, including a move from setting maximum prices monthly to bi-weekly adjustments. The Board now sets the maximum price for all regulated products every second Thursday. If certain criteria are met the Board will adjust maximum prices for some or all products on the intervening Thursday through the operation of the Board’s Interruption Formula.

Adjustments to the maximum wholesale and retail price of regulated petroleum products are made in accordance with a comprehensive process set out in the legislation and associated regulations. The maximum price for a regulated product includes a benchmark price, which is an average of the daily market prices as reported by specific sources prescribed in the legislation. The source specified by the legislation is Platts *US Marketscan* (“Platts”) for all regulated

petroleum products except propane for which Bloombergs *Oil Buyers Guide* (“Bloombergs”) is the source. As provided for in legislation the maximum price also includes a total allowed mark-up<sup>1</sup>, taxation and, in some cases, service costs. The benchmark price is adjusted based on daily global market changes, as reported by Platts and Bloombergs and adjusted for the daily exchange rate for US and CDN currency. The total allowed mark-up may be adjusted by the Board as required to reflect the factors set out in the legislation. For example, the total allowed mark-up for gasoline has been adjusted four times since 2001. An overview of the pricing model for gasoline is set out in Appendix “A”.

Aside from establishing the maximum price for regulated products in accordance with the legislation the Board has no additional authority with respect to the regulation of petroleum products. The Board cannot set minimum prices or compel a wholesaler or retailer to sell product. Wholesalers and retailers are permitted to sell regulated petroleum products at less than the maximum regulated price and may choose not to sell a product at any time.

In accordance with the legislation the province has been divided into 14 primary pricing zones based on the criteria set out in the legislation. The total allowed mark-up included in the maximum price in each zone includes a zone differential to account for the costs of supplying that zone. The cost of a product can vary substantially from one area of the province to another as a result of factors such as the fuel consumption levels, the remoteness of the community from supply, shipping conditions, and the type of infrastructure in the community necessary to support the supply of petroleum products. These factors can substantially affect the transportation costs, storage costs, volume of sales, distribution costs and inventory turnover rates. For example, the cost of delivering product to remote locations with low inventory turnover rates would, in most instances, be higher than for other locations which are closer to the bulk supplies with high inventory turnover rates. Also, where weather makes regular supply difficult throughout the year the cost of building and maintaining sufficient storage facilities to meet the anticipated demand in an area for an extended period of time can be significant.

The zone descriptions and boundaries have been periodically adjusted since 2001 to reflect the existing circumstances and were last changed in August 2006 following the completion of a

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<sup>1</sup> The total allowed mark-up is the amount set by the Board in cents per litre, which is meant to cover all costs in getting the product from its source to the end consumer. While the benchmark and base prices change bi-weekly, the total allowed mark-up only changes when the Board initiates or approves a change sought by a retailer or wholesaler in accordance with the legislation.

study of storage and distribution costs in the province<sup>2</sup>. The zone differentials were also updated by the Board in 2006 based on the findings and recommendations of this study.

### **3.0 Labrador Pricing**

Labrador is divided into five primary pricing zones and three sub-zones. The conditions of supply in each of the zones in Labrador are unique based on factors such as geographic circumstances, the consumption levels and supply practices. The current pricing zones in Labrador are shown in Appendix “B” attached. The existing zone differentials in each of the Labrador pricing zones are set out in the Appendix “C”.

The method of supply and delivery varies throughout Labrador; some areas are primarily or solely supplied by marine tanker while others are served by tanker truck, or train. In particular, deliveries to Zone 13 (Western Labrador) can continue through the winter as supply is mainly by train. Zone 10 (Straits to Red Bay) has substantial bulk storage facilities supplied by marine tanker deliveries, which can also continue through most of the winter. Zone 12 (Central Labrador) is supplied by marine tanker and cannot receive deliveries through the winter. Supply to communities along the coast in Zone 14 (Coastal Labrador North) is also by marine tanker but less frequently, sometimes only twice a year. Some communities in Zone 11 are also supplied by marine tanker on an infrequent basis during the shipping season, while other communities in Zone 11 can be supplied by tanker truck from bulk storage in other communities. An explanation of the supply chain in the various zones in Labrador is set out in Appendix “D”.

In Labrador maximum prices are set by the Board in Zones 10, 11, 12, 13 and 13a for both gasoline and diesel.<sup>3</sup> In Zones 11a and 11b, as well as Zone 14, maximum prices are set for regular unleaded gasoline full serve only. In terms of home heating fuels, since stove oil is the only petroleum product available and used in Labrador for home heating, the Board sets

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<sup>2</sup> The report “A Study of Storage and Distribution Costs for Petroleum Products throughout Newfoundland and Labrador” is available on the Board’s website (<http://n225h099.pub.nl.ca/ppo2005review/FrenchStudy.htm>). The study reviewed all supply chains and distribution networks in the Province to estimate the costs of moving regulated products from initial arrival by marine tanker through storage, handling and final delivery to the wholesale and retail points of sale. The study also looked at the existing pricing zone boundaries and differentials, as well as identified and reported on all storage facilities in NL. The recommendations of the final report recognized these costs and also depicted the unique supply and distribution network for some of these products in the Province.

<sup>3</sup> In all areas of Labrador the diesel product supplied is one that can be stored and used in very cold temperatures. This product is supplied year-round and is designated as “Arctic Diesel” to differentiate the product from the diesel used throughout the island portion of the province.

maximum prices in all zones for this product only. Maximum prices are not established for propane used for home heating since it is not available.

Another aspect of petroleum products pricing which is unique to Labrador is the historical practice of suppliers freezing prices in some communities during the winter months when ice conditions prevent re-supply. This practice was continued with the introduction of petroleum products pricing regulation in 2001, with the maximum prices of all regulated products in some areas in Labrador established for the winter as part of the scheduled monthly adjustment on November 15<sup>th</sup> each year. In 2006, as part of changes to the overall price adjustment schedule, the Board announced a change to the date of the implementation of the annual freeze of maximum prices in Labrador to the first regularly scheduled price adjustment in November. The freeze on maximum prices in each zone is lifted when weather conditions are such that the zone can be re-supplied in the spring, usually sometime between May and July. Appendix “E” shows the start and end dates of the maximum price freeze for each year since 2001.

Currently Zones 11 and 14 are subject to a freeze on the maximum price of all regulated petroleum products. Zones 10, 12 and 13 are not subject to a freeze on maximum prices. The maximum price established by the Board for automotive and home heating fuels in each of these zones as of February 12, 2009 is set out in Appendix “F”. Appendix “F” also shows the components of the maximum price of gasoline for each zone, including the base price, margins, zone differentials and taxes. The issue of the freeze of maximum prices in Labrador has been raised by a number of stakeholders in recent months since the Board implemented maximum prices for the winter period in Zones 11 and 14 on November 6, 2008 and is the subject of this consultation paper. This issue is discussed further in the following section.

#### **4.0 Freeze of Maximum Prices in Labrador**

##### **4.1 Background**

The freeze of maximum prices in Zones 11 and 14 is in place for the winter months since product cannot generally be supplied to these zones during this time. While it is possible to continue to supply some communities in Labrador throughout the winter months by tanker truck or train it is not generally possible to supply the marine storage facilities in Zones 11 and 14 in the winter because of ice conditions. In anticipation of the winter ice conditions suppliers ship the product in the fall and store it throughout the winter at bulk marine storage facilities. This means that the

product that is used from these facilities throughout the winter was purchased by the supplier in the fall or earlier. Marine delivery for winter supply occurs over the course of a number of weeks, beginning in mid to late October and finishing in mid to late November. The timing of these supplies is determined by the suppliers, based on a number of factors including product supply, shipping availability, and ice conditions at the time. Based on the information available to the Board marine deliveries to communities in Zones 11 and 14 since 2005 occurred in the time periods set out below.

<b><u>Year</u></b>	<b><u>Supply Period</u></b>
2008	October 23 to November 24
2007	October 28 to November 20
2006	November 6 to 18
2005	October 31 to November 15

The cost to the supplier of the product that is delivered in the fall depends on a number of factors, including volumes purchased, specific contractual provisions, and the timing of the purchase. Product delivered in October or November would have been purchased by the supplier some weeks before this date to allow time for pick-up and delivery to the communities. Because of the nature of the product and the volume of purchases it is not possible to determine with certainty the timing of the purchase of product delivered on a particular date. The Board understands that there is generally not one specific purchase of fuel for delivery in Labrador but rather these deliveries are more often drawn from existing stockpiles that are purchased and stored by the supplier throughout the year. While the average time between purchase by the supplier and delivery to a community depends on a number of factors the Board understands that it is realistic to allow at least three weeks shipping time.

#### 4.2 Issues and Concerns

The implementation of a maximum price freeze in some zones in Labrador while at the same time not implementing a maximum price freeze in nearby zones has led to some concerns in the past. For example, in 2007, after maximum prices were frozen on November 8, 2007 in Zones 11 and 14, the benchmark prices increased significantly over the ensuing months. As a result the maximum prices of regulated petroleum products in the Labrador zones where maximum prices were frozen were well below maximum regulated prices in other zones for most of the winter. In

fact, on one occasion maximum regulated prices in Zone 11 were the lowest in the province. When the maximum price freeze was lifted in the spring of 2008 maximum prices for all products increased significantly. On the other hand, last fall there was a steep pricing downturn after maximum prices were frozen on November 6, 2008. This resulted in much higher maximum prices in the frozen zones than in the unfrozen zones. Appendix “G” shows the difference between the frozen maximum price of gasoline and the maximum price which likely would have been implemented if maximum prices for gasoline in Zones 11 and 14 were not frozen for each year since 2001.

The difference in pricing between Zone 10 and Zone 11 is of particular note given the improved road access over the last number of years. Highway 510 now extends throughout Zone 11 from Forteau to Cartwright and Charlottetown and additional resources are being devoted to maintaining the road during the winter. The Board is aware that, because maximum prices are frozen in Zone 11 but not in Zone 10, some of this fuel may be transported from one zone to another and also that consumers sometimes move between zones to purchase fuel. Appendix “H” provides information on the road closures in Zone 11 over the last few years.

It has been suggested that all zones in Labrador should be subject to the same maximum price freeze policy. Adopting a consistent approach for all zones in Labrador may in some cases avoid the perception of unfairness as well as address concerns as to the availability of supply that often arise when price differences result in consumers travelling to adjacent zones to purchase products at much lower prices. However, a uniform approach may not reflect the unique circumstances of each zone. For example deliveries continue throughout the winter in Zone 13 whereas communities in Zone 14 are serviced infrequently by marine tanker, sometimes only twice a year. In addition, parts of Zone 11 are currently serviced mainly by marine tanker on an infrequent basis during the shipping season, while other communities are serviced by tanker truck from bulk storage in other communities.

The current freeze on maximum prices in Zone 11 and Zone 14 is applied to all regulated petroleum products. Much of the discussion and concerns raised to date have been in relation to gasoline. Consideration should also be given to whether the freeze should be applied differently or at all for different products.



The supply of petroleum products to Labrador poses unique challenges as does the regulation of the maximum prices of these products. The sparsely distributed population located far from supply centres makes delivery difficult, and varying shipping conditions, which often inhibit regular supply, results in the need for large volumes of local bulk storage. Presumably these issues were factors in the implementation of the maximum price freeze by suppliers prior to regulation and the continuation of the policy with the establishment of price regulation in 2001. It now seems timely to review this policy to determine if it continues to be a relevant and useful tool which should be utilized by the Board and, if so, whether improvements can be made in the manner that it is implemented.

## **5.0 Consultation**

The Board is seeking commentary from stakeholders as to the current approach and, more importantly, identification of preferred and viable alternatives.

In particular, the Board would like to receive submissions in relation to whether it is appropriate to adopt a uniform policy for Labrador or to continue with a maximum price freeze in specific areas only. Feedback is also sought as to whether there are considerations unique to a particular product. If the maximum price freeze is founded on the fact that an area cannot be re-supplied then the question arises as to whether it is appropriate to implement an ongoing maximum price freeze in areas where deliveries can be made throughout the year. If it is determined that a maximum price freeze should be continued in all or some areas then it is necessary to establish the factors that should be considered when determining when the maximum price freeze should be implemented and lifted.

To bring some focus to the issues the following questions might be considered when making a submission. The Board also welcomes general comments and suggestions outside the scope of these specific questions:

1. Is a freeze of maximum prices necessary or appropriate in any zone in Labrador at any time during the year?
2. Should a uniform approach be taken with respect to the freeze of maximum prices throughout Labrador for all petroleum products?

3. Are there specific supply concerns that should be considered when contemplating changes to the existing policy of freezing maximum prices?
4. If there is to be a freeze of maximum prices:
  - i) What zones should be subject to the freeze?
  - ii) Should there be changes to the zone boundaries?
  - iii) What criteria and/or pricing benchmark should be considered in determining the maximum price which is established?
  - iv) What criteria should be considered in setting the implementation and lift dates of a freeze?

The Board welcomes submissions from any interested person and will consider all information and commentary received. In particular, the Board seeks the full participation of suppliers and retailers. Where additional information or clarification is required, the Board will follow-up with direct contact. After completion of the consultation the Board will draft and circulate any proposed changes for further comment before finalizing any changes to the policy.

## **Appendix “A”**

### **Pricing Methodology Overview - Gasoline**

#### Calculation of the maximum retail price for gasoline

- 1) The Platts daily high and low price for New York Mercantile Exchange (NYMEX) conventional 15.0 RVP RUL 87 cargo is averaged.
- 2) The daily average Platts price is then converted to Canadian cents per litre (cpl) using the Bank of Canada noon-day rate, and the litres converted to US gallons using a conversion factor of 3.7854.
- 3) The last trading day’s value is used as a proxy for weekends and holidays.
- 4) The above steps are repeated for each day of the pricing period, which normally starts on Wednesday and includes the 14 days up to and including the Tuesday prior to the scheduled Thursday price change. The data point for Friday is carried over the weekend. Whenever there is a holiday, the previous day’s data point is used. The exception to the schedule is where a price interrupt for a product would have occurred in the previous week (See #7 below).
- 5) All data to be used for the pricing period is then averaged to arrive at the “benchmark price”.
- 6) Added to this benchmark price is added the total allowable mark-up of 14.83 cpl, the zone price differentials, the Federal Excise Tax (10.0 cpl), and the Provincial Gasoline Tax (16.5 cpl). These values are summed and the 13% HST is applied to yield the maximum retail price for gasoline in each zone.
- 7) Between scheduled price changes the benchmark price is monitored daily using the same process as above. In weeks with no regularly scheduled price change, if the average benchmark using the seven days of data since the last scheduled price change differs by greater than +/- 4.0 cpl, the currently established benchmark price and corresponding retail prices are adjusted effective 12:01 a.m. Thursday. When an interrupt occurs for any product in the week between a scheduled price adjustment the calculation of the benchmark price for the next regularly scheduled price adjustment will include only the seven days of data following the interruption (Wednesday to Tuesday).

## **Appendix “B”**

### **Zone Descriptions - Labrador**

#### **Zone 10 - Labrador - The Straits to Red Bay**

- From the Quebec-Labrador border west of L'Anse-au-Clair to Red Bay, and all points on Route 510 therein, including L'Anse-au-Clair, Forteau, L'Anse-au-Loup, L'Anse-Amour, West St. Modest, Red Bay, Pinware and Capstan Island.

#### **Zone 11 - Labrador South - Lodge Bay / Cartwright**

- All points on the south Labrador coast connected by Highway 510 from Lodge Bay to Cartwright, including Lodge Bay, Mary's Harbour, St. Lewis, Port Hope Simpson, Charlottetown and Cartwright.

#### **Zone 11a - Coastal Labrador South - Tanker Supplied**

- All communities along the coast of Labrador south of the Hamilton Inlet which are not connected to the Labrador Coast Highway and are serviced via marine tanker, including Black Tickle and Domino.

#### **Zone 11b - Coastal Labrador South – Drum Delivery**

- All communities along the coast of Labrador South of the Hamilton Inlet which are not connected to the Labrador Coast Highway and are not serviced via marine tanker, including Norman Bay, Pinsent Arm and Williams Harbour.

#### **Zone 12 - Central Labrador**

- Central Labrador including Happy Valley-Goose Bay, Mud Lake, North West River and Sheshatshiu.

#### **Zone 13 - Western Labrador**

- Western Labrador including Labrador City/Wabush.

#### **Zone 13a - Churchill Falls**

- Churchill Falls.

#### **Zone 14 - Coastal Labrador North**

- All northern Labrador coastal communities including Rigolet and all those north of the Hamilton Inlet to Nain which are currently serviced by marine tanker.



# PETROLEUM PRODUCTS LABRADOR PRICING ZONES

## ZONE DESCRIPTIONS

### Zone 10 - Labrador - The Straits to Red Bay

From the Quebec-Labrador border west of L'Anse-au-Clair to Red Bay, and all points on Route 510 therein.

### Zone 11 - Labrador South - Lodge Bay / Cartwright

All points on the south Labrador coast connected by road from Lodge Bay to Cartwright.

### Zone 11a - Coastal Labrador South - Tanker Supplied

All communities along the coast of Labrador South of the Hamilton Inlet which are not connected to the new Labrador Coast Highway and are *currently* serviced via marine tanker.

### Zone 11b - Coastal Labrador South - Drum Delivery

All communities along the coast of Labrador South of the Hamilton Inlet which are not connected to the new Labrador Coast Highway and are *not currently* serviced via marine tanker.

### Zone 12 - Central Labrador

Central Labrador including Happy Valley-Goose Bay, Mud Lake and North West River and Sheshatshiu.

### Zone 13 - Western Labrador

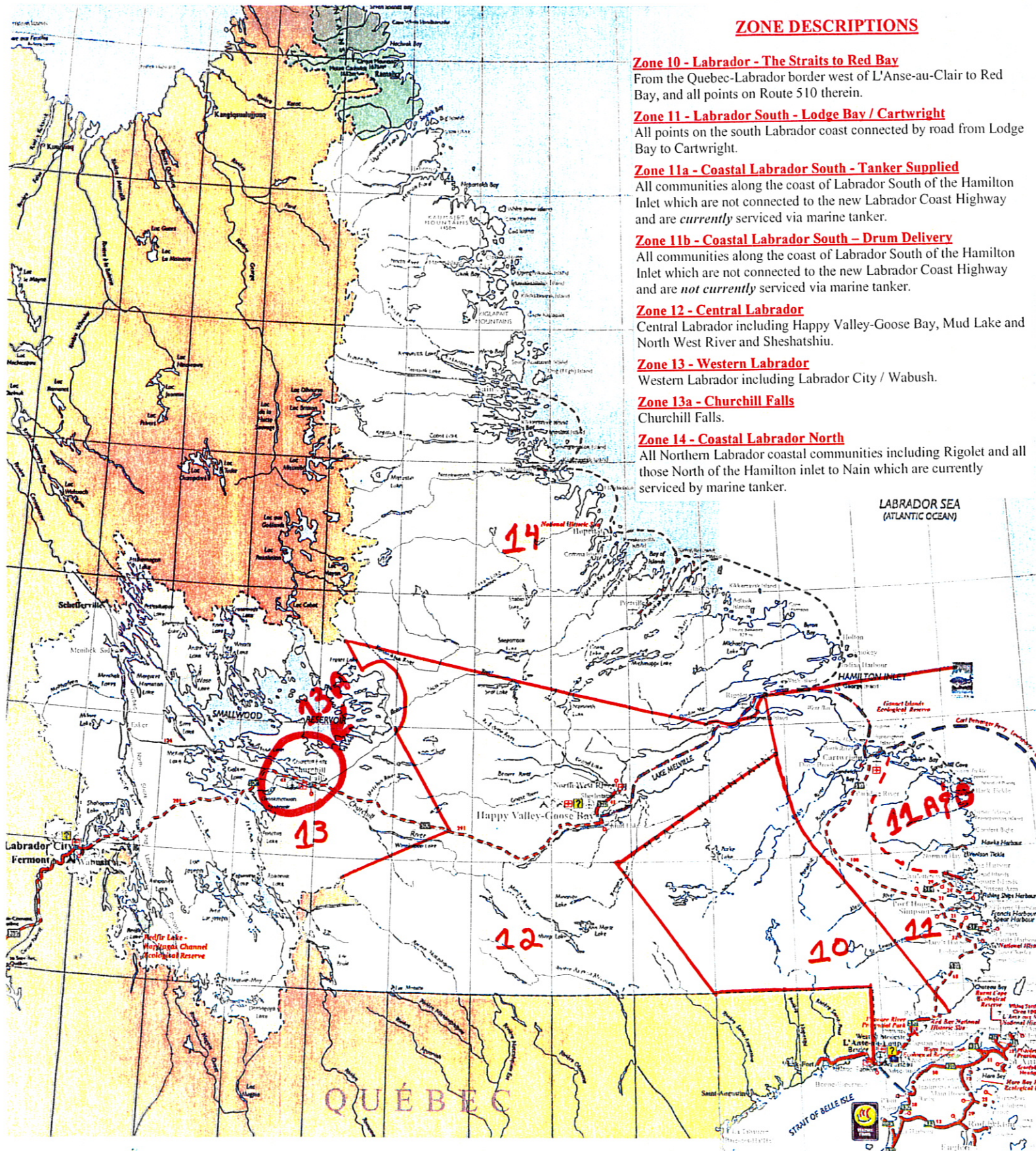
Western Labrador including Labrador City / Wabush.

### Zone 13a - Churchill Falls

Churchill Falls.

### Zone 14 - Coastal Labrador North

All Northern Labrador coastal communities including Rigolet and all those North of the Hamilton inlet to Nain which are currently serviced by marine tanker.





### Appendix “C” Zone Price Differentials – Labrador Pricing Zones

Zone price differentials are calculated price increments added to base zone product prices to reflect the costs for transportation, storage and distribution of the product in the destination zone. The differentials were established in 2001 and updated in the fall of 2006 following a detailed study conducted by the Board.

The zone price differentials for each available product in the pricing zones in Labrador are shown below.

	Zone Pricing Differential		
Pricing Zone	Gasoline	Diesel*	Stove oil
10**	7.2	5.6	8.5
11	14.6	13.3	17.2
11a***	19.8	18.3	25.4
11b	26	26.3	35.2
12	3.2	3	3.2
13	4.7	4.7	5.2
13a	6.9	6.9	7.3
14***	19.8	18.3	25.4

#### Notes

- \* 1.5 cpl is added to the zone price differential for all sales in Labrador to account for the required use of “Arctic Diesel”.
- \*\* In accordance with the *Gasoline Tax Act* there is a reduction of 1.5 cpl in the amount of taxation charged in Zone 10 resulting in an apparent lower zone differential.
- \*\*\* No self-service gasoline is available in Zones 11a and 14 resulting in an additional 2.7 added to the pump price. As well, because these zones have no road access, an additional retail margin of 2.3 cpl for gasoline is also provided.

## **Appendix “D”**

### **Zone Supply Chains - Labrador**

#### **Zone 10 - Labrador - The Straits to Red Bay**

- This area is served by storage facilities in L’Anse aux Clair and L’Anse-au-Loup, with deliveries via tank wagon.
- Maximum prices are not frozen in this zone at any time.

#### **Zone 11 - Labrador South - Lodge Bay / Cartwright**

- Fuel is shipped via marine tanker, and it is stored in depots in communities throughout the zone. There is significant storage capacity in both St. Lewis and Port Hope Simpson from which product can be trucked throughout the zone as needed. Fuel is also trucked from storage in L’Anse-au-Loup to outlets and to storage in Charlottetown for distribution during the winter.
- Maximum prices are frozen in this zone at the first scheduled price adjustment in November.

#### **Zone 11a - Coastal Labrador South - Tanker Supplied**

- Serviced via marine tanker.
- Maximum prices are frozen in this zone at the first scheduled price adjustment in November.

#### **Zone 11b - Coastal Labrador South – Drum Delivery**

- Supply, if or when it occurs, involves local individuals or businesses bringing in drums of fuel and making it available for sale locally.
- Maximum prices are frozen in this zone at the first scheduled price adjustment in November.

#### **Zone 12 - Central Labrador**

- Supplied via marine tanker.
- Despite being inaccessible to new supplies for significant portions of the winter, maximum prices in this region are not frozen in line with what is understood to be historical practice.

#### **Zone 13 - Western Labrador**

- Supplied via train from Sept Isles, Quebec which can continue through the winter.
- Maximum prices are not frozen in this zone at any time.

#### **Zone 13a - Churchill Falls**

- Supplied via tank wagon normally from storage in Labrador West, though tank wagon delivery from Goose Bay is possible.
- Maximum prices are not frozen in this zone at any time.

#### **Zone 14 - Coastal Labrador North**

- All Northern Labrador coastal communities including Rigolet and all those north of the Hamilton Inlet to Nain which are currently serviced by marine tanker.
- Serviced via marine tanker.
- Maximum prices are frozen in this zone at the first scheduled price adjustment in November.

**Appendix “E”**  
**Labrador Maximum Price Freeze**  
**Implementation and Lift Dates**

YEAR	START	END		
		Zone 11*	Zone 11a/b*	Zone 14
2001-02	November 15 <sup>th</sup>	July 15 <sup>th</sup>	July 15 <sup>th</sup>	July 15 <sup>th</sup>
2002-03	November 15 <sup>th</sup>	June 15 <sup>th</sup>	June 15 <sup>th</sup>	June 15 <sup>th</sup>
2003-04	November 15 <sup>th</sup>	May 28 <sup>th</sup>	June 15 <sup>th</sup>	June 15 <sup>th</sup>
2004-05	November 15 <sup>th</sup>	June 1 <sup>st</sup>	June 15 <sup>th</sup>	June 15 <sup>th</sup>
2005-06	November 15 <sup>th</sup>	June 7 <sup>th</sup>	June 15 <sup>th</sup>	June 15 <sup>th</sup>
2006-07	November 15 <sup>th</sup>	June 7 <sup>th</sup>	July 5 <sup>th</sup>	July 12 <sup>th</sup>
2007-08	November 8 <sup>th</sup>	May 8 <sup>th</sup>	May 22 <sup>nd</sup>	June 19 <sup>th</sup>
2008-09	November 6 <sup>th</sup>	TBD <sup>1</sup>	TBD	TBD

\* Over this period were some changes made to some of these zone descriptions.

<sup>1</sup>TBD: To be determined.



**Appendix “F”**  
**Labrador Maximum Prices as of February 12, 2009**

**Automotive Fuels**  
**(cents per litre)**

<b>Zone</b>	<b>Zone Description</b>	<b>Regular Unleaded S/S</b>	<b>Regular Unleaded F/S</b>	<b>Mid Grade Unleaded S/S</b>	<b>Mid Grade Unleaded F/S</b>	<b>Premium Unleaded S/S</b>	<b>Premium Unleaded F/S</b>	<b>U.L.S. Diesel S/S or F/S</b>
<b>10</b>	Labrador – The Straits to Red Bay	100.4	103.4	103.4	106.4	106.4	109.4	102.7
<b>11</b>	Labrador South – Lodge Bay / Cartwright	118.2	121.2	121.2	124.2	124.2	127.2	137.5
<b>11a</b>	Coastal Labrador South – Tanker Supplied	N/A	129.7	N/A	N/A	N/A	N/A	143.2
<b>11b</b>	Coastal Labrador South – Drum Delivery	N/A	136.7	N/A	N/A	N/A	N/A	152.2
<b>12</b>	Central Labrador	97.6	100.6	100.6	103.6	103.6	106.6	99.8
<b>13</b>	Western Labrador	99.3	102.3	102.3	105.3	105.3	108.3	101.7
<b>13a</b>	Churchill Falls	101.7	104.7	104.7	107.7	107.7	110.7	104.2
<b>14</b>	Coastal Labrador North	N/A	129.7	N/A	N/A	N/A	N/A	143.2

N/A means product is not available

**Heating Fuels**  
**(cents per litre)**

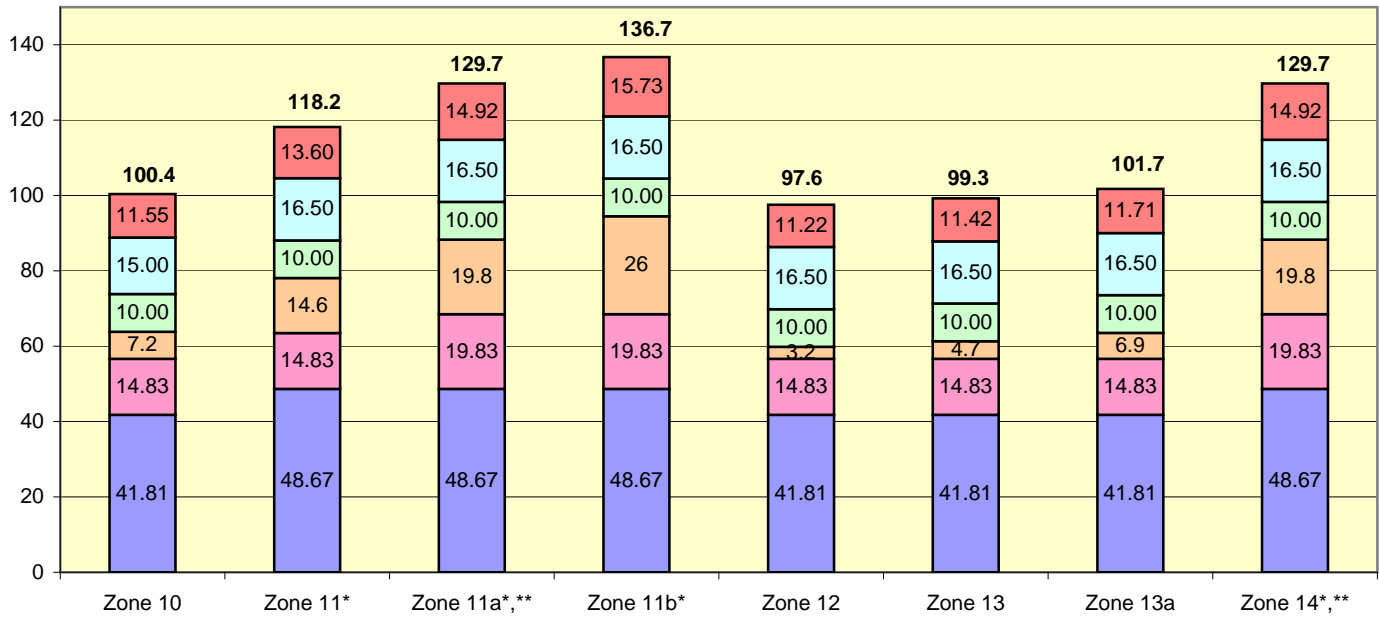
<b>Zone</b>	<b>Zone Description</b>	<b>Furnace Oil</b>	<b>Stove Oil</b>
<b>10</b>	Labrador - The Straits to Red Bay	N/A	75.70
<b>11</b>	Labrador South - Lodge Bay / Cartwright	N/A	104.81
<b>11a</b>	Coastal Labrador South - Tanker Supplied	N/A	113.01
<b>11b</b>	Coastal Labrador South - Drum Delivery	N/A	122.81
<b>12</b>	Central Labrador	N/A	70.40
<b>13</b>	Western Labrador	N/A	72.40
<b>13a</b>	Churchill Falls	N/A	74.50
<b>14</b>	Coastal Labrador North	N/A	113.01 *

\* indicates Maximum Retail Price at Tank Farm (Undelivered)

N/A means product is not available.

Maximum prices frozen in these zones as of November 6, 2008.

**Appendix "F"**  
**Labrador Maximum Prices**  
**Maximum Prices as at February 12, 2009**  
**Unleaded Gasoline**



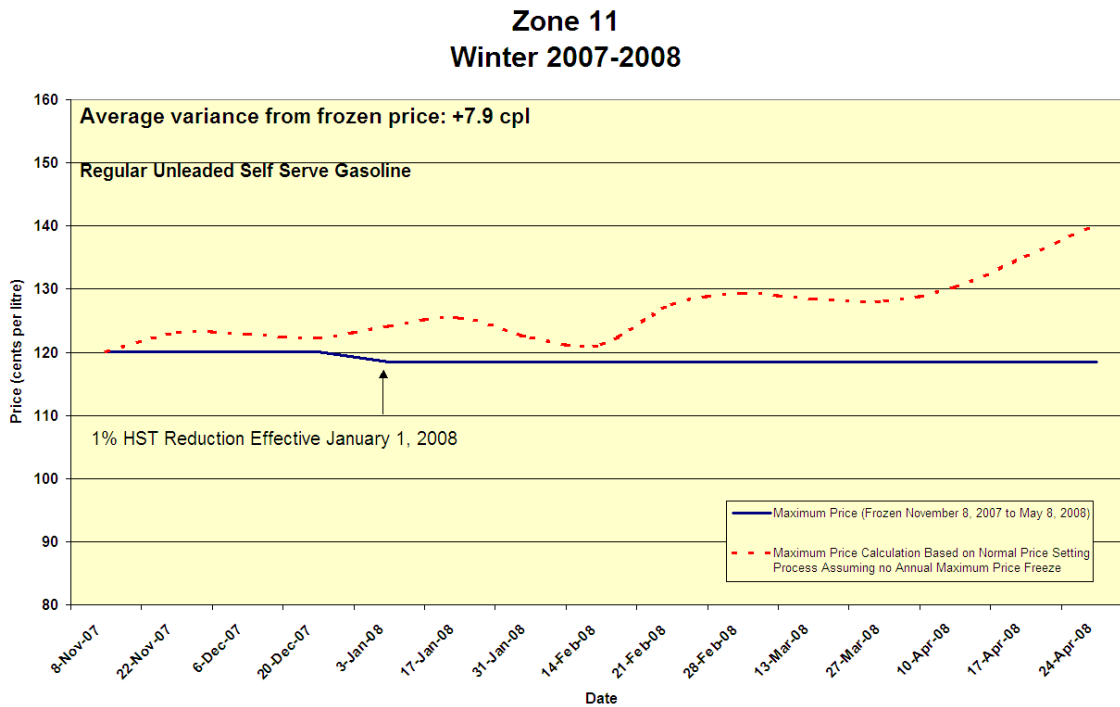
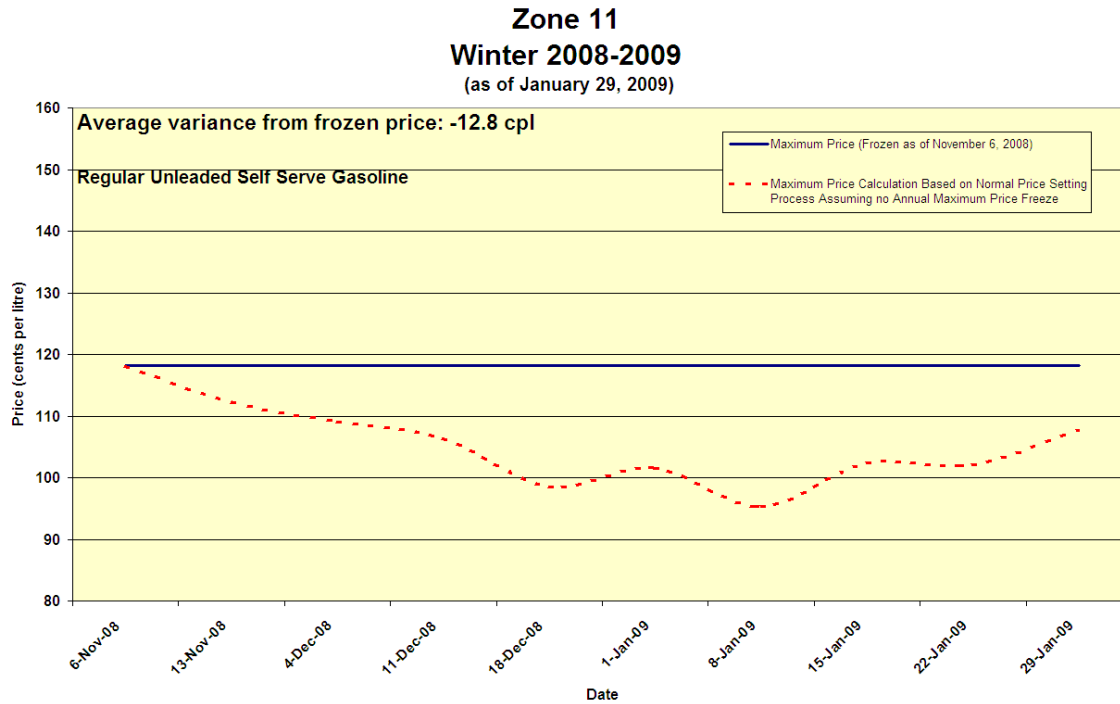
Prepared by: PUB Staff 12/02/2009  
 Data source: PUB Pricing Orders

■ Base Price 
 ■ Margin 
 ■ Differential 
 ■ Federal Tax 
 ■ Provincial Tax 
 ■ HST

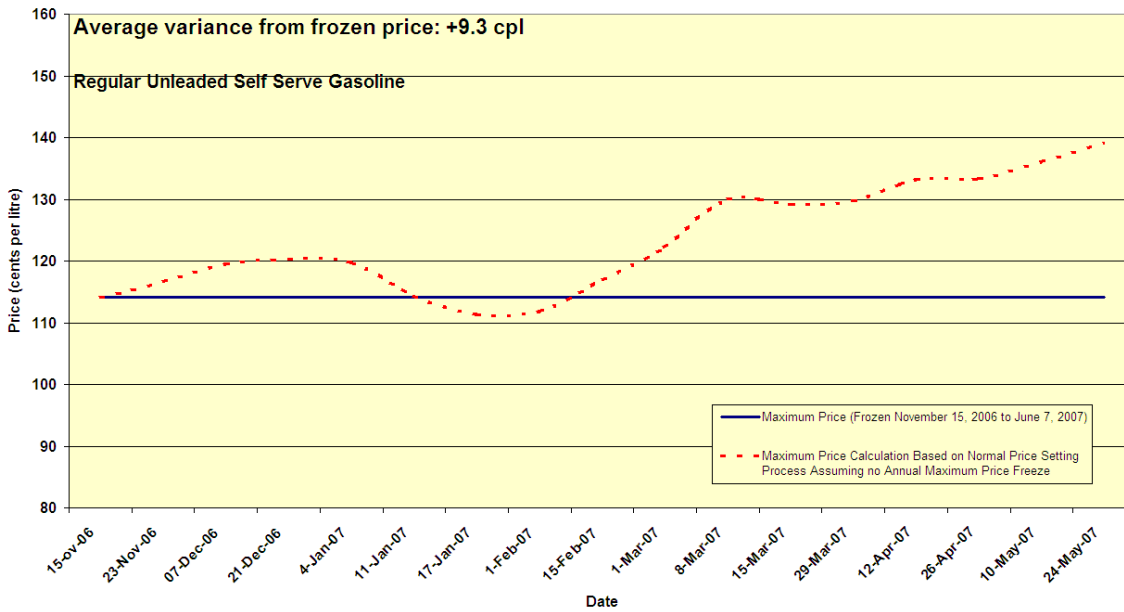
\* Maximum price frozen on November 6, 2008

\*\* Full service price only as there is no self-service.

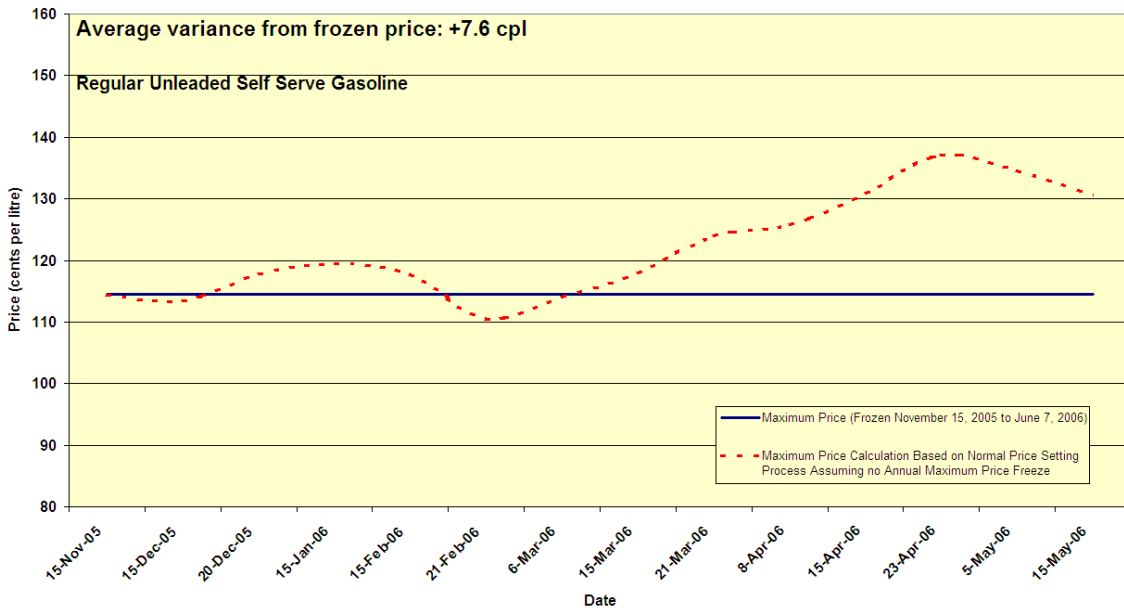
## Appendix “G” Historical Maximum Gasoline Prices 2001-2009 (Zones 11 and 14)



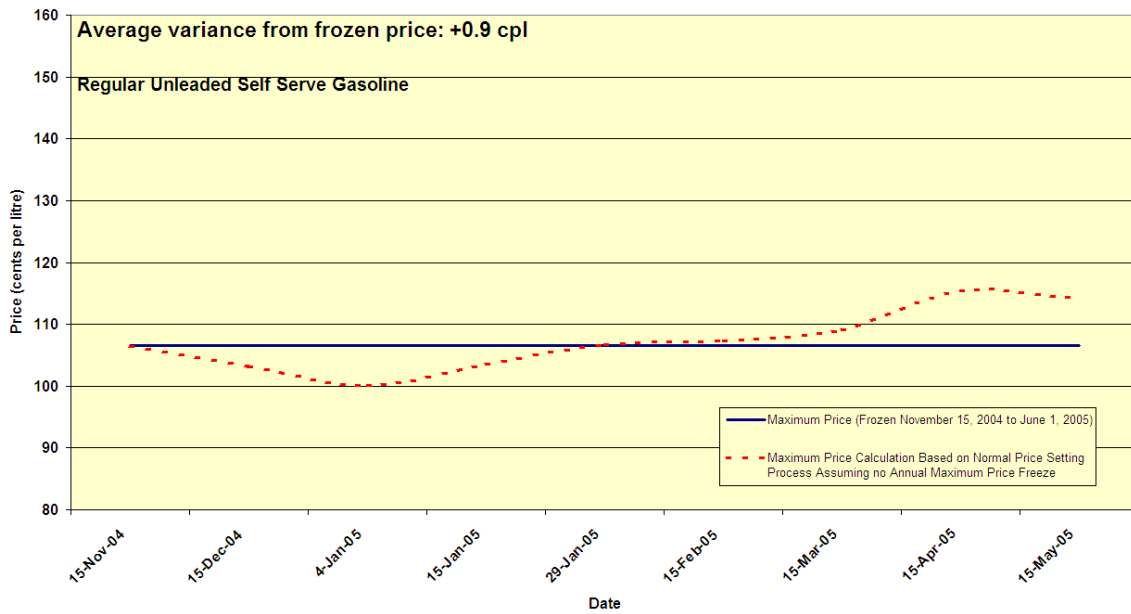
### Zone 11 Winter 2006-2007



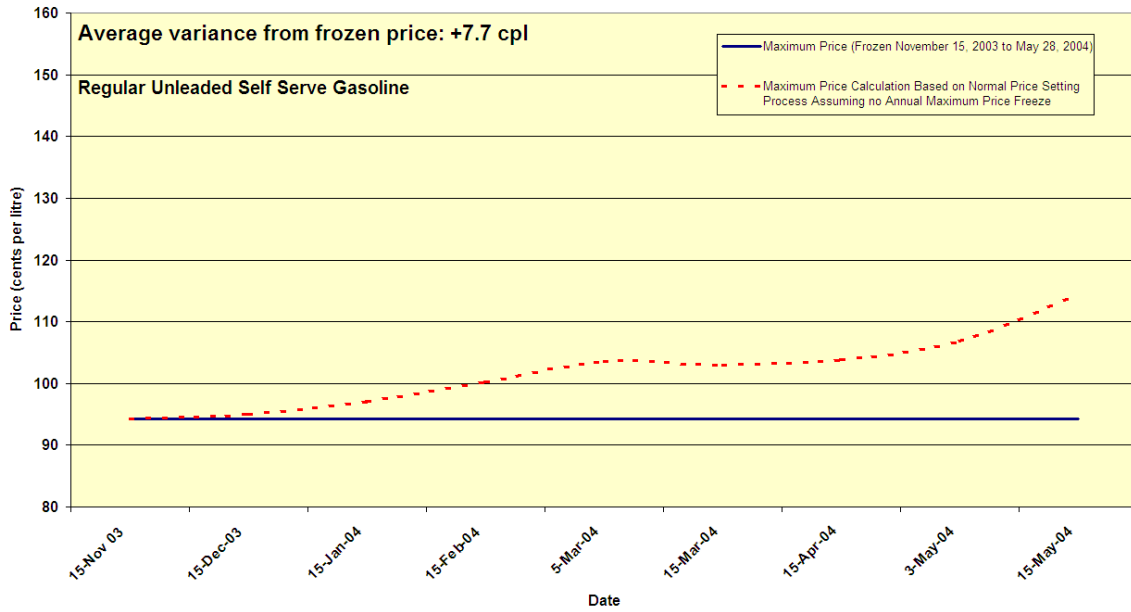
### Zone 11 Winter 2005-2006



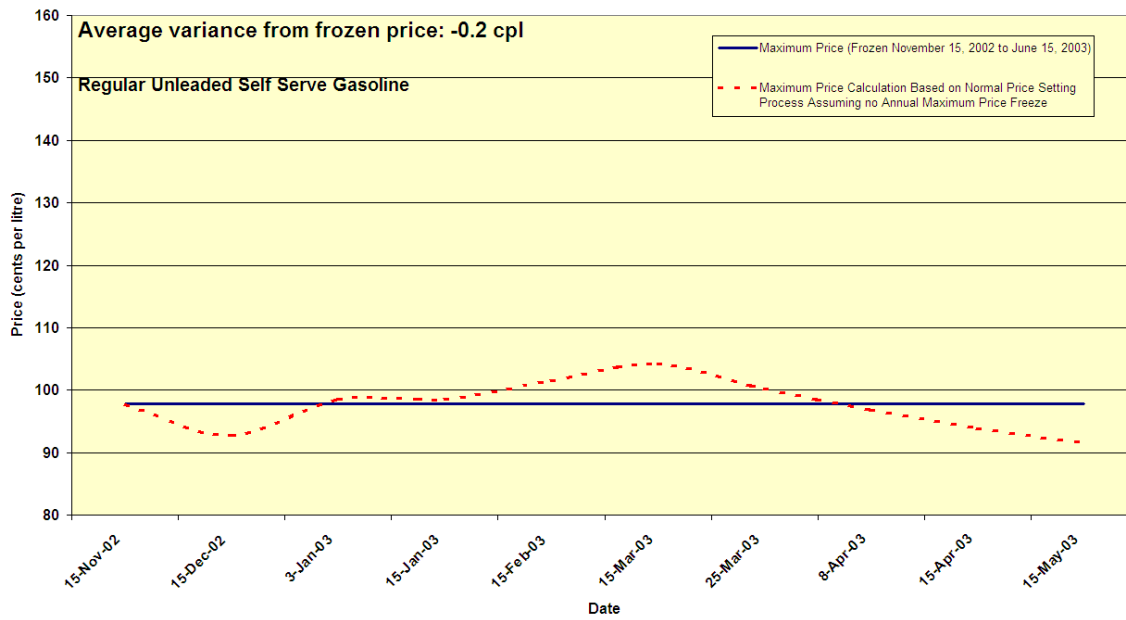
### Zone 11 Winter 2004-2005



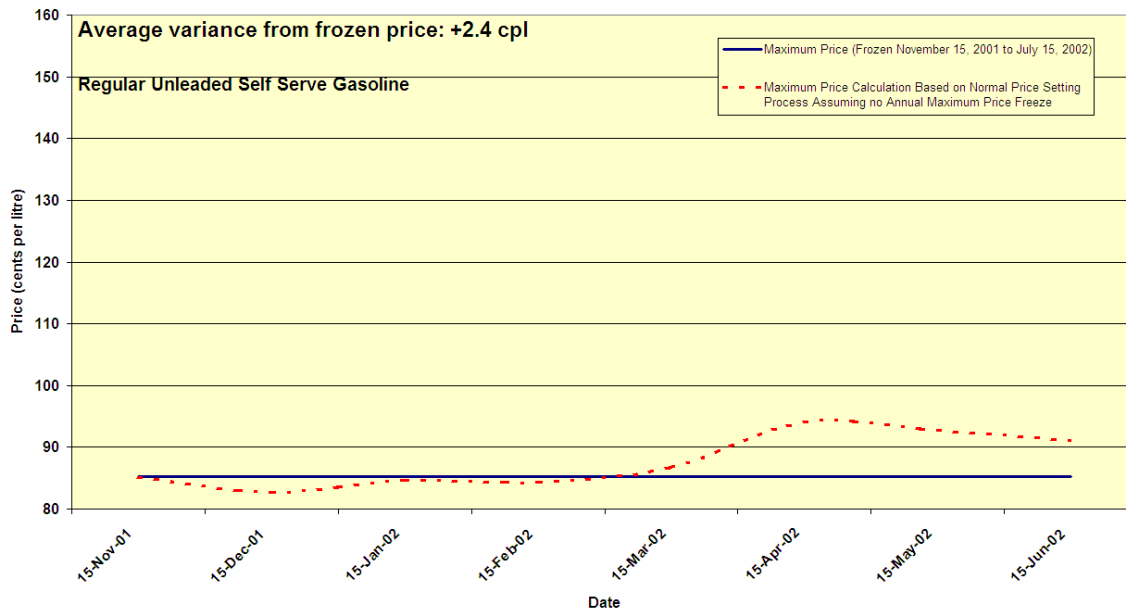
### Zone 11 Winter 2003-2004



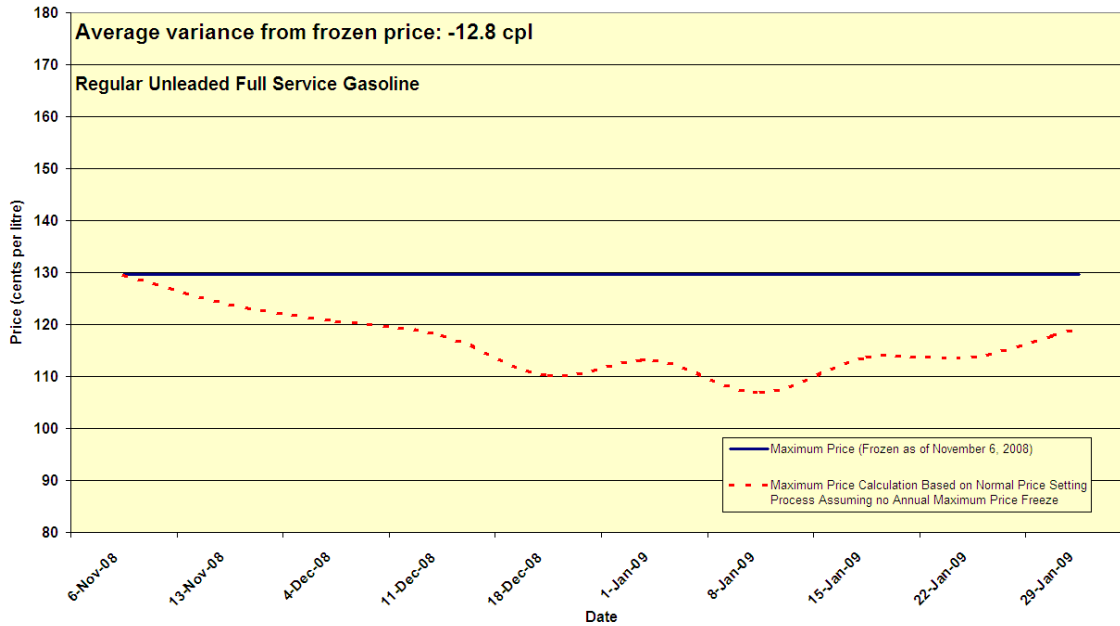
### Zone 11 Winter 2002-2003



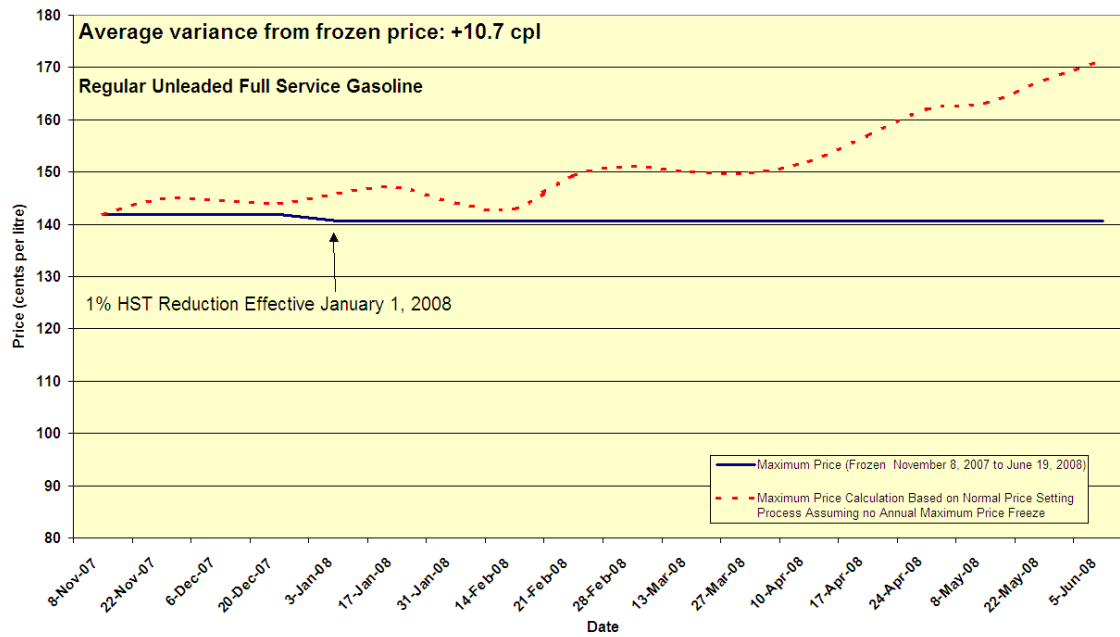
### Zone 11 Winter 2001-2002



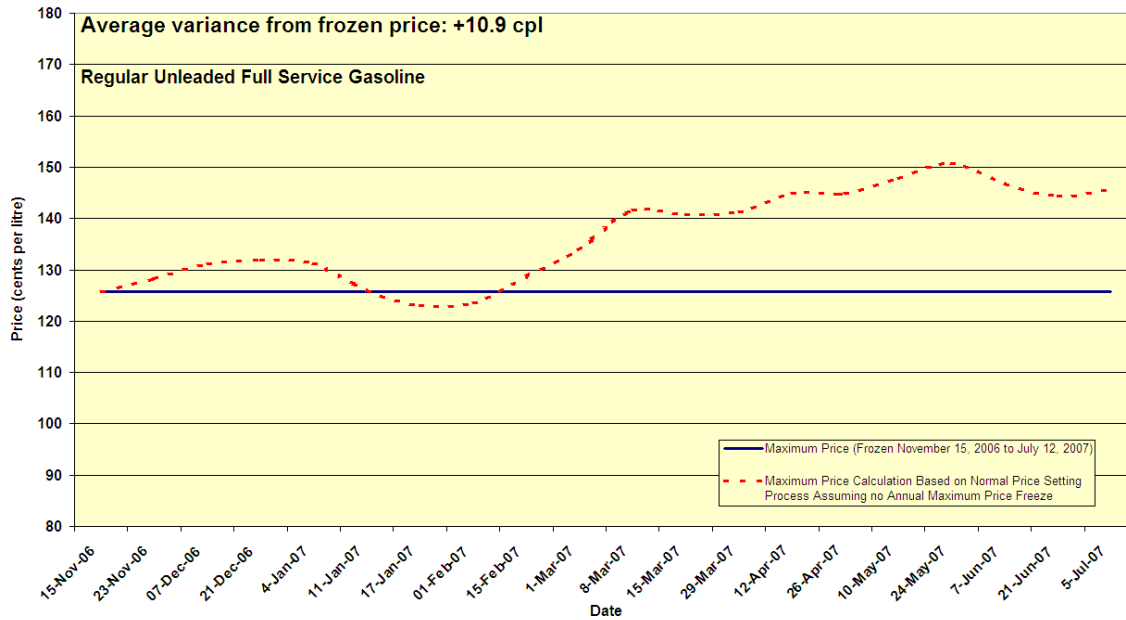
**Zone 14**  
**Winter 2008-2009**  
 (as of January 29, 2009)



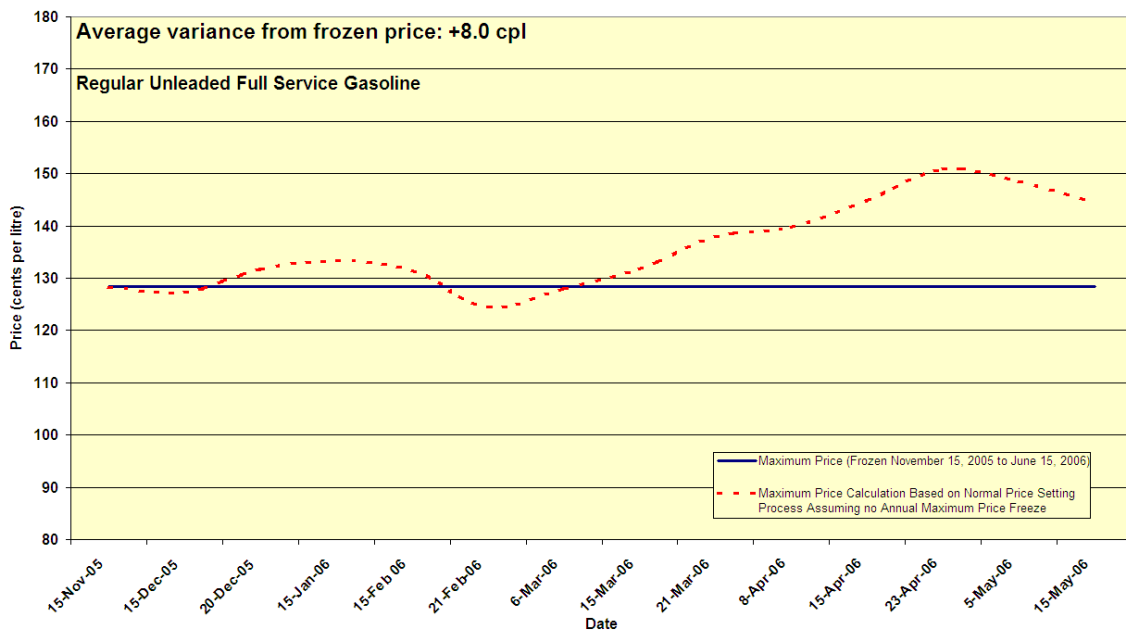
**Zone 14**  
**Winter 2007-2008**



**Zone 14**  
**Winter 2006-2007**

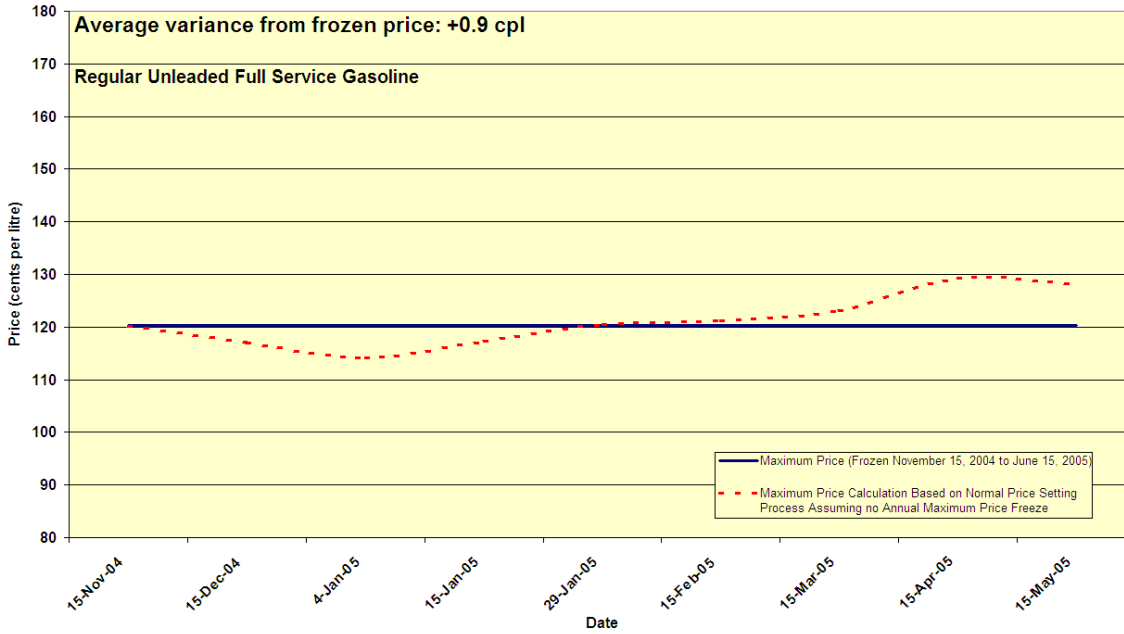


**Zone 14**  
**Winter 2005-2006**

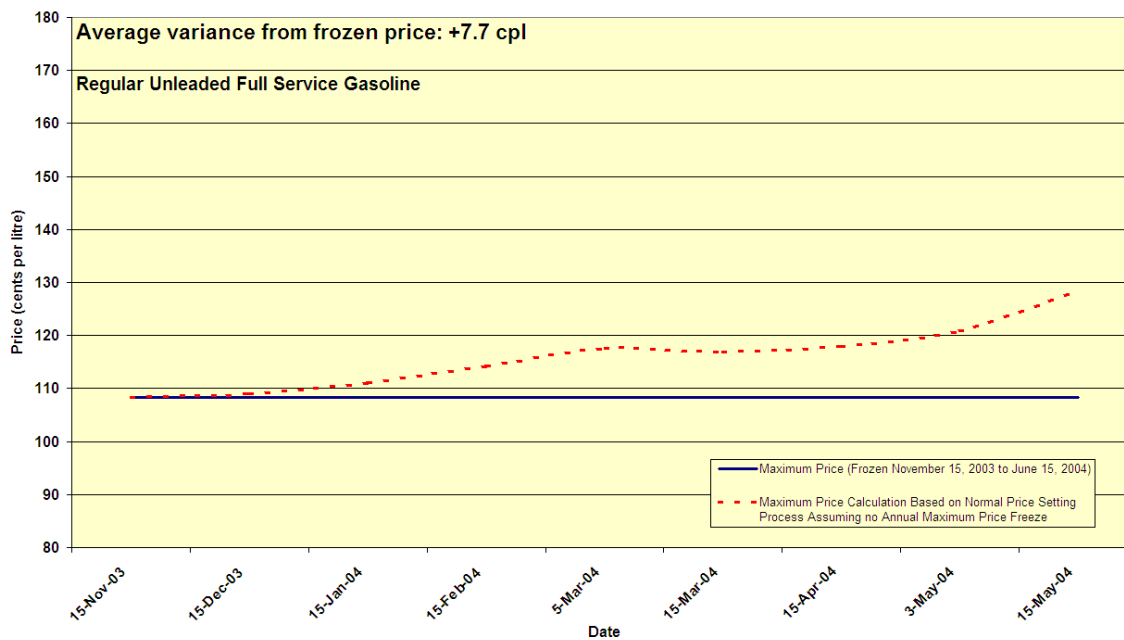




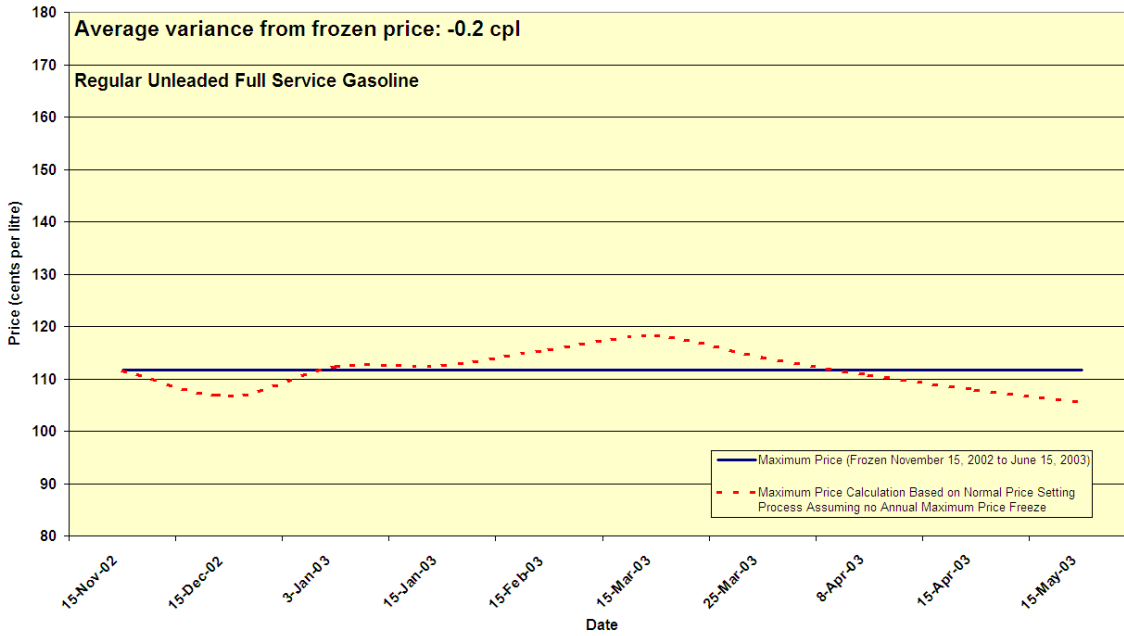
**Zone 14**  
**Winter 2004-2005**



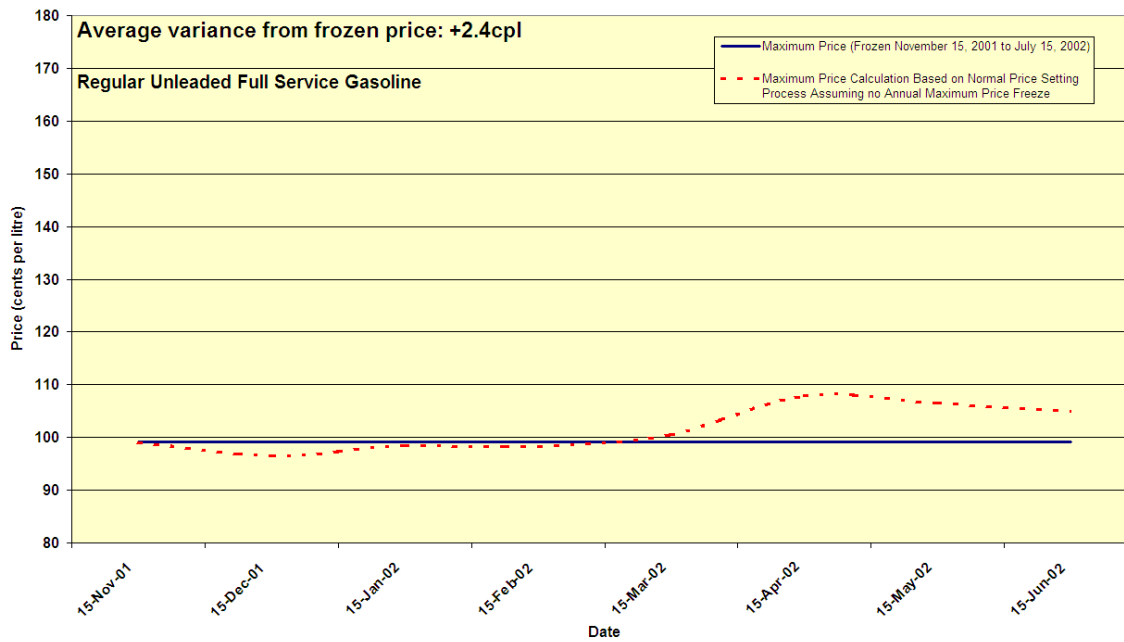
**Zone 14**  
**Winter 2003-2004**



**Zone 14**  
**Winter 2002-2003**



**Zone 14**  
**Winter 2001-2002**



**Appendix “H”**  
**Winter Road Closures Highway 510 L’Anse-au-Clair to Cartwright**

**Route 510 Road Closures by Year Since 2002**

2007 - 2008	8 Days
2006 - 2007	7.5 Days
2005 - 2006	51 Days
2004 - 2005	53 Days
2003 - 2004	68 Days
2002 - 2003	72 Days

Source: Department of Transportation and Works  
12/8/2008