

Board of Commissioners of Public Utilities

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MEDIA RELEASE

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Public Utilities Board makes changes to its Labrador Maximum Price Freeze Policy

The Board's policy in relation to the annual freeze of maximum prices for regulated petroleum products in certain areas of Labrador will change for the upcoming winter season.

After a review of this policy the Board has determined that the traditional freeze of maximum prices for the winter season in Zone 11 (Labrador South Lodge Bay/Cartwright) and Zone 11b (Coastal Labrador South – Drum Delivery) should not be implemented in 2009-2010. This decision is based on the submissions and information filed with the Board during the review as well as the particular circumstances in this zone, most notably recent improvements to road transportation throughout the region. Maximum prices in Zones 11 and 11b will be established in accordance with the scheduled biweekly price adjustments throughout the year.

The Board will continue its policy of implementing a freeze of maximum prices for the winter season in Zone 14 (Coastal Labrador North) and Zone 11a (Coastal Labrador South – Tanker Supplied). The maximum price freeze in these zones continues to be appropriate given that the only means of supply to this region is by marine tanker, which cannot deliver during the winter season due to ice conditions. For the upcoming winter season maximum prices for Zones 14 and 11a will be established with the scheduled adjustment on November 5, 2009 and will remain in place until shipping resumes and supply can be replenished, usually in late spring.

Maximum prices in Zone 10 (Labrador – The Straits to Red Bay), Zone 12 (Central Labrador), and Zone 13 (Western Labrador) will continue to be established in accordance with the scheduled biweekly price adjustments throughout the year.

This completes the Board's review of its policy in relation to the annual maximum price freeze in Labrador. The Board received submissions from several interested persons following the release of its consultation document in February 2009 and wishes to thank all those who participated. As a follow-up the Board plans to review the existing zone boundaries and price differentials in Labrador to ensure that they reflect current circumstances and are appropriate in light of these policy changes.

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