

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

AN ORDER OF THE BOARD

NO. P.P. 24(2020)

1 **IN THE MATTER OF** the *Petroleum*
2 *Products Act*, SNL 2001, Chapter P-10.1
3 (the “*Act*”), and regulations thereunder;
4 and
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6 **IN THE MATTER OF** the setting of
7 maximum wholesale and retail prices to be
8 charged for gasoline, diesel and stove oil in
9 Zones 10, 11, 11b and 12.
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12 **WHEREAS** on April 15, 2020 the Board issued Order No. P.P. 17(2020) adjusting the
13 maximum wholesale mark-up for gasoline, diesel and stove oil in Zone 10 (Labrador - The
14 Straits to Red Bay), Zone 11 (Labrador South - Lodge Bay/Cartwright), Zone 11b (Coastal
15 Labrador South - Drum Delivery) and Zone 12 (Central Labrador) as a result of applications
16 filed pursuant to section 8 of the *Act* by Woodward’s Oil Limited (“Woodward’s”) and William
17 Normore Limited (“Normore’s”) requesting that the maximum wholesale prices be based on
18 prices in effect in November of 2019 and that price adjustments be suspended until resupply in
19 the spring; and
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22 **WHEREAS** in Order No. P.P. 17(2020) the Board found that maximum prices for gasoline,
23 diesel and stove oil in Zones 10, 11, 11b, and 12 should be adjusted to offset the impact of the
24 extraordinary decreases in maximum prices that had occurred since the product was supplied in
25 the fall of 2019, to reduce the significant divergence between the cost of the product and the
26 maximum wholesale price, and to address concerns in relation to supply; and
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29 **WHEREAS** in Order No. P.P. 17(2020) the Board denied the request of the wholesalers to set
30 the maximum price based on the November 2019 prices which would have increased the prices
31 by over 39 cpl for gasoline, 42 cpl for diesel and 28 cpl for stove oil and instead approved an
32 increase of 30 cpl in the maximum price of gasoline and diesel fuels and 20 cpl for stove oil; and
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35 **WHEREAS** in Order No. P.P. 17(2020) the Board ordered that the maximum wholesale prices
36 would remain in place until resupply to these zones and a further order of the Board; and

1 **WHEREAS** on May 12, 2020 Woodward's advised the Board that its resupply to Zones 10, 11
2 and 12 would begin on May 14, 2020; and

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4 **WHEREAS** on May 14, 2020 the Board contacted wholesalers and retailers in Zones 10, 11, and
5 12 requesting information related to the resupply of product to these zones; and

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7 **WHEREAS** on May 15, 2020 Woodward's confirmed that gasoline was resupplied in Zone 10
8 on May 14, 2020, that its storage facility in St. Lewis in Zone 11 would be resupplied by May
9 15, 2020, that Zone 12 would be resupplied within 2 weeks, and that its next delivery to its
10 retailers was projected to be sometime between May 25 and May 28, 2020 in Zone 11 and on
11 May 15, 2020 in Zone 12; and

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13 **WHEREAS** Woodward's set out that it accepts the return to weekly floating maximum prices on
14 May 21, 2020 for gasoline and diesel products in Zones 11 and 12; and

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16 **WHEREAS** on May 18, 2020 Normore's advised that in Zone 10 the estimated date for the next
17 retailer delivery is May 21, 2020 and in Zone 11 the estimated timeframe for its next retailer
18 delivery is May 22 to 24, 2020; and

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20 **WHEREAS** six retailers responded to the Board's request for information and, based on these
21 responses, it seems that there is little commonality in the timing of the delivery of the products to
22 the retailers within these zones with some retailers expecting delivery of a product as soon as
23 May 21, 2020 and others not expecting to receive delivery of a product until as late as mid-June;
24 and

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26 **WHEREAS** no other responses were received from retailers and no comments were provided
27 with respect to the timing of the adjustment to maximum retail prices; and

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29 **WHEREAS** the Board is satisfied it is appropriate to discontinue the maximum wholesale prices
30 established in Order No. P.P. 17(2020) for gasoline, diesel and stove oil in Zones 10, 11, 11b and
31 12 and to resume weekly maximum wholesale and retail price adjustments in these zones.

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34 **IT IS THEREFORE ORDERED THAT:**

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36 1. The maximum wholesale prices established in Order No. P.P. 17(2020) for gasoline, diesel
37 and stove oil in Zone 10 (Labrador - The Straits to Red Bay), Zone 11 (Labrador South -
38 Lodge Bay/Cartwright), Zone 11b (Coastal Labrador South - Drum Delivery) and Zone 12
39 (Central Labrador) are discontinued, effective 12:01 a.m. May 21, 2020, and weekly
40 maximum wholesale and retail price adjustments in those zones will resume.

DATED at St. John's, Newfoundland and Labrador, this 20th day of May, 2020.



Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer



Dwanda Newman, LL.B.
Vice-Chair



Cheryl Blundon
Board Secretary