

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

**AN ORDER OF THE BOARD**

**NO. P.P. 38(2020)**

1 **IN THE MATTER OF** the *Petroleum*  
2 *Products Act*, SNL 2001, Chapter P-10.1, and  
3 regulations thereunder; and  
4

5 **IN THE MATTER OF** a request by Highlands  
6 Fuel Delivery G.P., dba Irving Energy for an  
7 increase in the current maximum price for  
8 propane used for heating in Zone 1 - Avalon  
9 Peninsula, pursuant to sections 8.(1) and 9.(1) of  
10 the *Petroleum Products Act*.  
11  
12

13 **WHEREAS** on May 14, 2020 Highlands Fuel Delivery G.P., dba Irving Energy (“Irving  
14 Energy”) wrote the Board requesting an immediate review of the current maximum price for  
15 home heat propane and an immediate increase in the current maximum regulated price of  
16 propane in Zone 1 - Avalon Peninsula, pursuant to section 15(2)(a)(i) of the Regulations under  
17 the *Petroleum Products Act*; and  
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19 **WHEREAS** according to Irving Energy transportation costs for propane have increased as a  
20 result of the COVID-19 pandemic and the suspension of operations at the North Atlantic  
21 Refinery as of March 29, 2020; and  
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23 **WHEREAS** Irving Energy advised that, as a result of the suspension of operations at the North  
24 Atlantic Refinery, it has been required to ship propane by transport truck from Saint John, New  
25 Brunswick and Dartmouth, Nova Scotia since April 1, 2020, resulting in an increase in its costs  
26 which is not reflected in current maximum propane prices, and which will continue until the  
27 propane market context changes in Newfoundland; and  
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29 **WHEREAS** on May 28, 2020 the Board wrote Irving Energy advising of the specific costing  
30 and other information that would need to be provided to support its request; and  
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32 **WHEREAS** on July 24, 2020 Irving Energy provided to the Board, on a confidential basis, the  
33 requested information to support its request for an increase in the maximum price of propane  
34 used for heating in Zone 1ANE - Avalon Peninsula Northeast, Zone 1ANW - Avalon Peninsula  
35 Northwest and Zone 1AS - Avalon Peninsula South; and

1 **WHEREAS** based on its review of the additional information provided the Board has  
2 determined that the incremental costs to Irving Energy associated with the alternate method of  
3 supply of propane for heating purposes to Zone 1ANE - Avalon Peninsula Northeast, Zone  
4 1ANW - Avalon Peninsula Northwest and Zone 1AS - Avalon Peninsula South is 9.77 cents per  
5 litre; and  
6

7 **WHEREAS** the Board is satisfied that it is appropriate to adjust, on an interim basis, the total  
8 allowed mark-up for Irving Energy in Zone 1ANE - Avalon Peninsula Northeast, Zone 1ANW -  
9 Avalon Peninsula Northwest and Zone 1AS - Avalon Peninsula South for propane used for  
10 heating purposes by 9.77 cents per litre and that this increased total allowed markup for Irving  
11 Energy be used to set weekly maximum prices for Irving Energy in these zones until such time  
12 as supply resumes from the North Atlantic Refinery or some other alternate supply is established.  
13  
14

15 **IT IS THEREFORE ORDERED THAT:**  
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- 17 1. The total allowed mark-up for regulated propane for Irving Energy in Zone 1ANE - Avalon  
18 Peninsula Northeast, Zone 1ANW - Avalon Peninsula Northwest and Zone 1AS - Avalon  
19 Peninsula South will increase by 9.77 cents per litre effective 12:01 a.m. on Thursday,  
20 August 20, 2020, on an interim basis, until a further Order of the Board.  
21
- 22 2. Irving Energy shall provide to the Board by the 1<sup>st</sup> of each month, commencing on  
23 September 1, 2020, an update on the circumstances related to the supply of regulated propane  
24 by Irving Energy to Zone 1ANE - Avalon Peninsula Northeast, Zone 1ANW - Avalon  
25 Peninsula Northwest and Zone 1AS - Avalon Peninsula South, setting out any changes to the  
26 method of supply and the associated costs.

**DATED** at St. John's, Newfoundland and Labrador this 18<sup>th</sup> day of August, 2020.



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



**Dwanda Newman, LL.B.**  
**Vice-Chair**



**Christopher Pike, LL.B., FCIP**  
**Commissioner**



**Cheryl Blundon**  
**Board Secretary**