

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

AN ORDER OF THE BOARD

NO. P.P. 19(2021)

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

5 **IN THE MATTER OF** requests by suppliers
6 for increases in the maximum prices of propane
7 heating fuel pursuant to section 8 of the
8 *Petroleum Products Act*.
9

10
11 **WHEREAS** in 2020, following the transition of the North Atlantic Refinery into standby mode,
12 the Board received requests from Highlands Fuel Delivery G.P., dba Irving Energy (“Irving
13 Energy”), Superior Propane and NARL Marketing Limited Partnership (“North Atlantic”) for
14 increases in the maximum price of propane heating fuel to reflect the increased costs to supply
15 this fuel to the province; and
16

17 **WHEREAS** as a part of the Board’s review of the supplier requests Irving Energy, North
18 Atlantic and Superior Propane provided updated cost of supply information for propane heating
19 fuels in the province; and
20

21 **WHEREAS** on August 18, 2020 the Board issued Order No. P.P. 38(2020) approving, on an
22 interim basis, increases in the total allowed mark-ups to be used to set the maximum prices
23 which Irving Energy could charge for propane heating fuel; and
24

25 **WHEREAS** on September 8, 2020 the Board issued Order No. P.P. 42(2020) approving, on an
26 interim basis, increases in the total allowed mark-ups to be used to set the maximum prices
27 which North Atlantic could charge for propane heating fuel; and
28

29 **WHEREAS** on October 6, 2020 the Board issued Order No. P.P. 48(2020) approving, on an
30 interim basis, increases in the total allowed mark-ups to be used to set the maximum prices
31 which Superior Propane could charge for propane heating fuel; and
32

33 **WHEREAS** on October 28, 2020 Irving Energy filed another request, with supporting
34 information, asking the Board to reconsider Order No. P.P. 38(2020) and approve a higher
35 permanent increase in the total allowed mark-ups for Irving Energy and that this increase be
36 applied across the market to all suppliers; and

1 **WHEREAS** on December 18, 2020 Irving Energy requested that the proposed increase in the
2 maximum prices for propane heating fuel be implemented immediately, on an interim basis,
3 while the Board reviewed the uniform application of the requested increases; and
4

5 **WHEREAS** on January 5, 2021 the Board issued Order No. P.P. 1(2021) approving, on an
6 interim basis, increases to the interim total allowed mark-up approved in Order No. P.P.
7 38(2020) to be used to set the maximum prices which Irving Energy could charge for propane
8 heating fuel; and
9

10 **WHEREAS** during the period January-April 2021 the Board continued to gather information
11 with respect to propane heating fuel supply cost from Irving Energy, North Atlantic and Superior
12 Propane; and
13

14 **WHEREAS** based on the supply cost information for propane heating fuel provided by Irving
15 Energy, North Atlantic and Superior Propane the Board is satisfied that the total allowed mark-
16 ups for propane heating fuel set for each supplier, on an interim basis, in Order Nos. P.P.
17 38(2020), P.P. 42(2020), P.P. 48(2020) and Order No. P.P. 1(2021) do not provide for the
18 recovery of the incremental costs being incurred by the suppliers due to the transition of the
19 North Atlantic Refinery into standby mode; and
20

21 **WHEREAS** based on the supply cost information provided the Board is satisfied that it is
22 appropriate to increase, on an interim basis, the total allowed mark-ups for propane heating fuel
23 for all suppliers to reflect the incremental costs in each pricing zone.
24
25

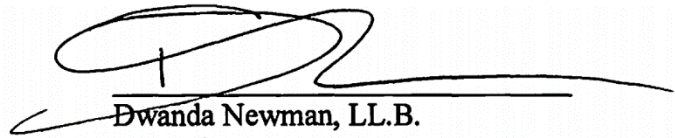
26 **IT IS THEREFORE ORDERED THAT:**
27

- 28 1. The adjustments to the total allowed mark-ups for propane heating fuel set by the Board on
29 an interim basis in Order Nos. P.P. 38(2020), P.P. 42(2020), P.P. 48(2020) and P.P. 1(2021),
30 as set out in Schedule A to this Order, are rescinded effective 12:00 a.m. Thursday, May 6,
31 2021.
32
- 33 2. The total allowed mark-ups for propane heating fuel for all suppliers are adjusted as set out in
34 Schedule A to this Order, effective 12:01 a.m. Thursday, May 6, 2021, on an interim basis,
35 until a further Order of the Board.
36
- 37 3. Irving Energy, North Atlantic and Superior Propane shall continue to provide to the Board,
38 by the 1st of each month, an update on the circumstances related to the supply of propane
39 heating fuel for their respective operations, setting out any changes to the method of supply
40 and the associated costs.

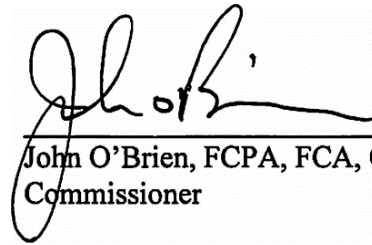
DATED at St. John's, Newfoundland and Labrador, this 4th day of May, 2021.



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



Dwanda Newman, LL.B.
Vice-Chair



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary

Effective 12:01 a.m. Thursday, May 6, 2021

Pricing Zone	Rescinded Interim Adjustments Total Allowed Mark-Ups (cpl)			Adjustments to Total Allowed Mark-Ups All Suppliers (Interim) (cpl)
	North Atlantic P.P. 42(2020)	Irving Energy P.P. 38(2020) & P.P. 1(2021)	Superior Propane P.P. 48(2020)	
1ANE - Avalon Peninsula Northeast	+17.23	+17.23	+11.9	+20.5
1ANW - Avalon Peninsula Northwest	+17.23	+17.23	+11.9	+20.5
1AS - Avalon Peninsula South	+17.23	+17.23	+11.9	+20.5
1a - Bell Island	n/a	n/a	+11.9	+20.5
2 - Burin Peninsula / Bonavista Peninsula	+17.23	n/a	+12.5	+20.5
3 - Central Newfoundland / Notre Dame Bay East	+12.60	n/a	+8.6	+17.0
3a - St. Brendan's (Island)	n/a	n/a	n/a	+17.0
3b - Fogo Island	n/a	n/a	+8.6	+17.0
3c - Change Islands	n/a	n/a	n/a	+17.0
4 - Connaigre Peninsula	+10.97	n/a	+8.6	+12.0
4a - Gaultois / McCallum / Rencontre East	n/a	n/a	n/a	+12.0
5 - Springdale - Green Bay / Triton / Baie Verte Peninsula	+10.97	n/a	+2.7	+12.0
5a - Long Island	n/a	n/a	n/a	+12.0
5b - Little Bay Islands	n/a	n/a	n/a	+12.0
6 - Deer Lake / Corner Brook / Bay of Islands / Gros Morne	+10.97	n/a	+2.7	+12.0
7W - Stephenville / Port au Port / Codroy Valley / Channel-Port aux Basques	+10.97	n/a	+2.7	+12.0
7SE - Burgeo	n/a	n/a	+2.7	+12.0
7a - Ramea	n/a	n/a	n/a	+12.0
7b - Grey River / François / Grand Bruit / La Poile	n/a	n/a	n/a	+12.0
8 - Northern Peninsula - Gros Morne National Park to Bellburns	+10.97	n/a	+2.7	+12.0
9 - Northern Peninsula to Englee and St. Anthony	n/a	n/a	+2.7	+12.0
10 - Labrador - The Straits to Red Bay	n/a	n/a	+2.7	+12.0
11 - Labrador South - Lodge Bay / Cartwright	n/a	n/a	+2.7	+12.0
11b - Coastal Labrador South - Drum Delivery	n/a	n/a	n/a	+12.0