

## MEDIA RELEASE

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*Thursday, May 6, 2021*

### **Weekly Adjustment of Maximum Prices of Regulated Petroleum Products** *Changes to Regulated Propane Heating Fuel Maximum Pricing*

Effective 12:01 a.m. Thursday, May 6, 2021, the Public Utilities Board set maximum prices for all regulated petroleum products in all areas of the province, except where maximum price adjustments have been suspended for the winter months.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to 3.5 cents per litre (cpl);
- diesel motor fuel will increase by up to 1.7 cpl;
- furnace oil heating fuel will increase by 1.42 cpl; and,
- stove oil heating fuel will increase by up to 1.42 cpl.

These maximum prices reflect the change in the average benchmark price of the products over the current pricing period. As an example, the average benchmark price for gasoline, as tracked on the New York Mercantile Exchange (NYMEX) and converted to Canadian dollars, increased over the period by 3.00 cpl, resulting in an increase of up to 3.5 cpl, accounting for taxation and rounding.

#### **Changes to Regulated Propane Heating Fuel Maximum Prices**

Effective with this price adjustment, the Board's maximum prices for propane heating fuel will reflect an increase of 0.7 cpl to the weekly benchmark price for the product as well as adjustments to the total allowed mark-ups as discussed in the attached Backgrounder.

The next scheduled price change is Thursday, May 13, 2021.

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## **BACKGROUND**

*Embargo until 12:01 a.m., Thursday, May 6, 2021*

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### **Changes to Regulated Propane Heating Fuel Maximum Prices**

Effective with this maximum price adjustment the Board has approved interim adjustments to the total allowed mark-ups for propane heating fuel in certain pricing zones in the Province. These changes are being implemented following requests from the primary suppliers of propane heating fuel and a review conducted by the Board to address concerns with propane maximum pricing since the transition of the North Atlantic Refinery into standby mode in March 2020.

During the period May-August 2020 the Board received correspondence from Highlands Fuel Delivery G.P., dba Irving Energy (“Irving Energy”), NARL Marketing Limited Partnership (“North Atlantic”) and Superior Propane requesting increases to the Board’s established maximum prices for regulated propane heating fuel to reflect higher costs associated with alternative methods of supply. At the request of the Board, each supplier provided detailed cost of supply information for the product and, based on the information filed, the Board was satisfied that it was appropriate to adjust the total allowed mark-ups for Irving Energy, North Atlantic and Superior Propane, on interim basis, as set out in Order Nos. P.P. 38(2020), P.P. 42(2020), P.P. 48(2020) and P.P. 1(2021).

During the period January-April 2021, in response to requests from the Board, Irving Energy, North Atlantic and Superior Propane provided updated cost of supply information for Board review. Based on the information filed by the suppliers the Board determined in Order No. P.P. 19 (2021) that the total allowed mark-ups for propane heating fuel do not provide for the recovery of the incremental costs of supplying the product. The specific adjustments to the total allowed mark-ups for propane heating fuel by pricing zone approved in Order No. P.P. 19 (2021) can be found on the Board’s website when the changes come into effect.