

## MEDIA RELEASE

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*Thursday, July 1, 2021*

### **Weekly Adjustment of Maximum Prices of Regulated Petroleum Products** *Carbon Tax Changes*

Effective 12:01 a.m. Thursday, July 1, 2021, the Public Utilities Board set maximum prices for all regulated petroleum products in all areas of the province, including gasoline and diesel motor fuels in areas where maximum price adjustments have been suspended. This maximum price adjustment reflects the changes to taxation for gasoline and diesel motor fuels as outlined in Bulletin No. RAA-CARBON-003 issued by the Department of Finance Tax Administration Division on May 31, 2021. Maximum prices for the applicable heating fuels in those areas where maximum price adjustments have been suspended pursuant to Order No. P.P. 25(2021) will not change. For complete details of the impacts of changes to the carbon tax on the Board's established maximum prices please see the attached Background.

The changes to maximum fuel prices are as follows:

- all types of gasoline motor fuel will increase by up to:
  - 2.6 cents per litre (cpl) in Zones 10, 11, 11a, 11b, 12 and 14; and,
  - 5.5 cpl in all other zones.
- diesel motor fuel will increase by up to:
  - 3.1 cpl in Zones 10, 11, 11a, 11b, 12 and 14; and,
  - 4.4 cpl in all other zones;
- furnace oil heating fuel will increase by 1.09 cpl;
- stove oil heating fuel will increase by up to 1.09 cpl; and,
- propane heating fuel will increase by 2.3 cpl.

For all areas, except those areas where maximum price adjustments have been suspended, these maximum price adjustments also 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 2.49 cpl; however, changes to the carbon tax results in an increase of up to 5.5 cpl in some zones, accounting for taxation and rounding.

The next scheduled price change is Thursday, July 8, 2021.

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NEWFOUNDLAND AND LABRADOR  
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

**BACKGROUND**

*Embargo until 12:01 a.m., Thursday, July 1, 2021*

**Impact of Changes to Carbon Tax on Maximum Prices**

On May 31, 2021 the Department of Finance Tax Administration Division issued [Bulletin No. RAA-CARBON-003](#). The Bulletin detailed changes to carbon taxes applicable to gasoline and diesel motor fuels as follows:

<b>Product</b>	<b>Old Carbon Tax Rates Effective November 7, 2020 to June 30, 2021</b>	<b>New Carbon Tax Rates Effective July 1, 2021</b>
Gasoline	6.63 cpl	8.84 cpl
Diesel	8.05 cpl	10.73 cpl

The Board's pricing adjustment effective July 1, 2021 reflects the impact of changes in the carbon taxes, including HST. For those pricing zones where maximum price adjustments have been suspended pursuant to Order No. P.P. 25(2021), maximum prices will be adjusted to reflect changes to carbon taxes only.

The table below provides specific details regarding the impact on gasoline and diesel motor fuels maximum prices for the July 1, 2021 price adjustment:

<b>Product</b>	<b>Benchmark Change</b>	<b>Carbon Tax Change</b>	<b>Total Change with HST<sup>1</sup></b>
Gasoline (Zones 10, 11, 11a, 11b, 12 and 14)	N/A	+2.21 cpl	+2.5 cpl
Gasoline (All Other Zones)	+2.4939 cpl	+2.21 cpl	+5.4 cpl
Diesel (Zones 10, 11, 11a, 11b, 12 and 14)	N/A	+2.68 cpl	+3.1 cpl
Diesel (Zones 13 and 13a)	+1.0453 cpl	+2.68 cpl	+4.3 cpl
Diesel (All Other Zones)	+1.0951 cpl	+2.68 cpl	+4.3 cpl

<sup>1</sup> Actual changes by pricing zone may vary by +/- 0.1 cpl due to rounding.