

MEDIA RELEASE

June 2, 2022

Thursday, June 2, 2022

Weekly Adjustment of Maximum Prices of Regulated Petroleum Products and Special Adjustment of Maximum Prices for Taxation Changes

Effective 12:01 a.m. Thursday, June 2, 2022, the Public Utilities Board set maximum prices for regulated petroleum products in all areas of the province.

This maximum price adjustment reflects changes to taxation announced by the Provincial Government reducing the Provincial Gasoline Tax by 7.0 cpl, effective June 2, 2022. For complete details of the impacts of changes to the provincial fuels taxes on the Board's established maximum prices for gasoline and diesel motor fuel please see the attached Backgrounder.

This adjustment also reflects the change in the average benchmark price of the products over the pricing period, except in Zones 10, 11, 11a, 11b, 12 and 14.

The calculation of the maximum price of diesel motor fuel in Zone 13 – Western Labrador and Zone 13a – Churchill Falls now reflects a composition of 100% Ultra Low Sulphur Diesel (ULSD), replacing a blend of 55% ULSD and 45% Ultra Low Sulphur Kerosene. Based on information available to the Board, this change will result in maximum prices for diesel motor fuel in these zones that better reflect the product supplied to and sold in the region as diesel motor fuel at this time.

The maximum price adjustments in **Zones 10, 11, 11a, 11b, 12 and 14** reflect taxation changes only, including HST impacts, as follows:

- all types of gasoline motor fuel will decrease by up to 8.1 cents per litre (cpl); and
- diesel motor fuel will decrease by up to 8.1 cpl.

For **Zones 13 and 13a** the maximum price adjustments reflect the taxation changes as well as changes to the calculation of the benchmark and the changes in the average benchmark prices as follows:

- diesel motor fuel in Zones 13 and 13a will decrease by up to 4.9 cpl; and,
- stove oil heating fuel in Zones 13 and 13a will increase by 4.92 cpl.

For **the rest of the province** the maximum price adjustments reflect the taxation changes as well as changes in the average benchmark prices as follows:

- all types of gasoline motor fuel will decrease by up to 5.1 cpl;
- diesel motor fuel will decrease by up to 8.1 cpl;
- furnace oil heating fuel will see no change; and,
- stove oil heating fuel will see no change.

Propane heating fuel will decrease by 0.8 cpl in all zones.

The breakdown of the maximum price for regulated unleaded, self-serve gasoline in Zone 1 Avalon Peninsula, effective June 2, 2022, can be found below. This information is updated weekly for both gasoline and diesel motor fuels on the Board's website and can be found at the following link: http://www.pub.nl.ca/gas_and_diesel.htm

While the Board's next regularly scheduled price adjustment is scheduled for Thursday, June 9, 2022 the Board continues to monitor the daily benchmark prices for motor fuels and heating fuels using the prescribed sources set out in the *Petroleum Products Regulations* and will adjust maximum prices outside the scheduled adjustment if circumstances warrant.

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MAXIMUM PRICES - June 2, 2022

Zone 1 Avalon Peninsula (Base Zone)

	Regular Unleaded Gasoline Self Serve Cents per Litre
Pump Price (rounded to one decimal place)	217.2
<u>Total Tax</u>	56.88
HST @ 15%	28.33
Carbon Tax	11.05
Provincial Gasoline Tax	7.50
Federal Excise tax	10.00
Pump Price (Ex-Tax)	160.34
Zone Differential	0.00
Pump Price Ex-Taxes (Base Price)	160.34
Total Allowed Mark-up	25.93
Average New York Harbour Benchmark Price for period	134.41

Backgrounder

Effective Thursday June 2, 2022 the Department of Finance implemented changes to the provincial fuel taxes applicable to gasoline and diesel motor fuels. The changes are as follows:

Product	Current Provincial Fuel Tax Rates	Provincial Fuel Tax Rates Effective June 2, 2022
Gasoline	14.5 cpl	7.5 cpl
Diesel	16.5 cpl	9.5 cpl

The price adjustment reflects the impact of changes to the Board's average benchmark prices and a reduction in the provincial fuel taxes for gasoline and diesel motor fuels. The changes to maximum prices, including HST, are provided below.¹

Product	Change in Average Benchmark Price	Change in Provincial Fuel Tax	Impact on Maximum Prices (including HST)
Gasoline (Zones 10, 11, 11a, 11b, 12 and 14)	N/A	-7.0 cpl	-8.1 cpl
Gasoline (All Other Zones)	+2.6069 cpl	-7.0 cpl	-5.1 cpl
Diesel (Zones 10, 11, 11a, 11b, 12 and 14)	N/A	-7.0 cpl	-8.1 cpl
Diesel (Zones 13 and 13a)	+2.7461 cpl	-7.0 cpl	-4.9 cpl
Diesel (All Other Zones)	+0.0021 cpl	-7.0 cpl	-8.0 cpl

¹ Actual impact on maximum prices may vary slightly by pricing zone due to rounding in the Board's maximum pricing methodology.