

## **MEDIA RELEASE**

### **Increased fuel prices to meet extraordinary circumstances**

Effective 12:01 a.m., Friday, September 2, 2005, the Public Utilities Board's Petroleum Pricing Office (PPO) announces increases in the maximum prices of most regulated fuels in Newfoundland and Labrador. These increases are necessary to respond to the extraordinary conditions existing in today's petroleum markets and address potentially critical product shortages from impacting consumers.

The maximum price of all types of gasoline will increase by 18.9 cents per litre (cpl), while diesel fuel will rise by 6.7 cpl. There will be an upward adjustment in the maximum price of furnace/stove oil of 5.5 cpl.

There will be no change at this time in the maximum price for residential propane used for home heating purposes.

This adjustment in petroleum prices is the result of the unprecedented spike in pricing for these products occurring on world markets. "Without immediate action in Newfoundland and Labrador to address the present situation we can expect supply shortages", said Mr. David Toms Director (Acting) of the PPO. Indeed several retailers and resellers in rural areas of the Province have already advised the Board they will no longer be supplying gasoline and other products in light of the considerable losses are being experienced as a result of the difference in price between what these suppliers must pay to purchase these products in today's market and the existing maximum regulated prices they can charge customers. The Board will continue to monitor these extraordinary events on a daily basis to ensure a continued supply of fuels to consumers at appropriate prices in accordance with its regulatory obligations.

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