

June 7, 2022

DOC-2022-00937

Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer
Board of Commissioners of Public Utilities
Email: dwhalen@pub.nl.ca

Dear Darlene Whalen:

Bill 52, an Act to Amend the Petroleum Products Act (Bill 52), was approved by the House of Assembly and received Royal Assent on June 1, 2022. Bill 52 can be found at the following link:

<https://www.assembly.nl.ca/HouseBusiness/Bills/ga50session1/bill2252.htm>.

This Bill has two main objectives. First, the Bill increases transparency in the fuel pricing process, as the Board of Commissioners of Public Utilities (PUB) is now legislatively required to make various information available as prescribed within the Petroleum Products Regulations (the Regulations), which are included in the Newfoundland and Labrador Gazette at the following link:

<https://www.gov.nl.ca/dgsnl/files/NLG20220603.pdf>.

The information to be made public includes the:

- maximum wholesale and retail prices;
- minimum and maximum mark-up between the wholesale and retail price; and
- procedure for determining adjustments to the petroleum product base wholesale and retail price.

I understand that the PUB has recently upgraded its website to make information more clearly accessible to the public, including providing information about price setting and the timing of price adjustments. This is consistent with the expectations from the amendments and will help increase awareness of fuel pricing in this province, which is critical to ensuring a fully transparent process.

The second objective for Bill 52 is to expand the areas for which the Minister may request the PUB to conduct a review beyond the benchmark price to include all components of fuel pricing for which the PUB is responsible. In addition, Bill 52

authorizes the Minister to direct the PUB to hold a hearing where the Minister requests such a review.

Pursuant to Subsection 8.1(3) of the **Petroleum Products Act** (the **Act**), I am requesting that the PUB review each of the following:

- the suitability of the pricing mechanism for benchmark prices; and
- the maximum markup between the wholesale price to the retailer and the retail price to the consumer for all regulated fuels (both of which comprise the total allowed markup).

Pursuant to Subsection 8.1(5) of the **Act**, I am also directing the PUB to hold a hearing as part of this review to enable direct public input into the review. The hearing should provide an opportunity for input from residents throughout Newfoundland and Labrador, through both in-person and written and electronic correspondence.

I look forward to receiving an update on the plan to initiate the requested review and hearing, including an estimate as to the time that I might expect to receive recommendations from the PUB on the matters reviewed. Should you require clarification or have any questions, please contact my Deputy Minister, Sean Dutton, at sdutton@gov.nl.ca or by phone at 729-4752.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Stoodley".

SARAH STOODLEY, MHA

District of Mount Scio

Minister