

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.P. 1(2021)

1 **IN THE MATTER OF** the *Petroleum Products*
2 *Act*, SNL 2001, Chapter P-10.1 and regulations
3 thereunder; and
4

5 **IN THE MATTER OF** the *Public Utilities Act*,
6 RSNL 1990, Chapter P-47, as amended, and
7 regulations thereunder; and
8

9 **IN THE MATTER OF** a request by Highlands
10 Fuel Delivery G.P., dba Irving Energy pursuant
11 to section 28 of the regulations under the *Public*
12 *Utilities Act* for the Board to reconsider Order
13 No. P.P. 38(2020).
14
15

16 **WHEREAS** on May 14, 2020 Highlands Fuel Delivery G.P., dba Irving Energy (“Irving
17 Energy”) wrote the Board requesting an immediate review of the current maximum price for
18 regulated propane and an immediate increase in the current maximum regulated price of propane
19 in Zone 1 – Avalon Peninsula, pursuant to section 15(2)(a)(i) of the Regulations under the
20 *Petroleum Products Act*; and
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22 **WHEREAS** according to Irving Energy transportation costs associated with the supply of
23 propane increased as a result of the COVID-19 pandemic and the suspension of operations at the
24 North Atlantic Refinery as of March 29, 2020; and
25

26 **WHEREAS** on August 18, 2020 the Board issued Order No. P.P. 38(2020) approving a 9.77
27 cents per litre increase to the total allowed mark-up for regulated propane for Irving Energy,
28 effective 12:01 a.m. Thursday, August 20, 2020 on an interim basis; and
29

30 **WHEREAS** on October 28, 2020 Irving Energy filed a request that the Board reconsider Order
31 No. P.P. 38(2020) pursuant to section 28 of the Regulations under the *Public Utilities Act*, and
32 included information supporting the request which was provided on a confidential basis; and
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34 **WHEREAS** Irving Energy submitted that a permanent increase above the interim total allowed
35 mark-up for regulated propane approved in Order No. P.P. 38(2020) for Irving Energy is
36 reasonable and justified based on the information filed; and

1 **WHEREAS** Irving Energy also proposed that any increase in the maximum prices for regulated
2 propane should be applied across the market to all suppliers; and
3

4 **WHEREAS** on December 18, 2020 Irving Energy wrote the Board to request that the proposed
5 increase in the maximum prices it can charge for regulated propane be implemented
6 immediately, on an interim basis, while the Board reviews the uniform application of maximum
7 retail prices for the other suppliers; and
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9 **WHEREAS** Irving Energy advised that it is critical that it be granted an immediate increase in
10 the maximum prices it can charge for regulated propane as it has not been able to recover its
11 increased costs of supply; and
12

13 **WHEREAS** based on its review of the additional information filed by Irving Energy with its
14 request for reconsideration the Board has determined that the increase in the total allowed mark-
15 up approved in Order No. P.P. 38(2020) does not provide for the recovery of the incremental
16 costs to Irving Energy associated with the alternate method of supply of regulated propane to
17 Zone 1ANE – Avalon Peninsula Northeast, Zone 1ANW – Avalon Peninsula Northwest and
18 Zone 1AS – Avalon Peninsula South; and
19

20 **WHEREAS** the Board is satisfied that it is appropriate to adjust, on an interim basis, the total
21 allowed mark-up for regulated propane for Irving Energy in Zone 1ANE – Avalon Peninsula
22 Northeast, Zone 1ANW – Avalon Peninsula Northwest and Zone 1AS – Avalon Peninsula South
23 by 7.46 cents per litre above the interim total allowed mark-up approved in Order No. P.P.
24 38(2020), and that this increased total allowed mark-up be used to set weekly maximum prices
25 for Irving Energy in these zones until such time as supply resumes from the North Atlantic
26 Refinery or some other alternate supply is established or there is a further Order of the Board.
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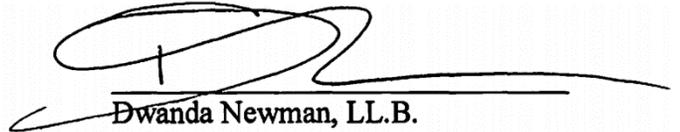
29 **IT IS THEREFORE ORDERED THAT:**
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- 31 1. The total allowed mark-up for regulated propane for Irving Energy in Zone 1ANE – Avalon
32 Peninsula Northeast, Zone 1 ANW – Avalon Peninsula Northwest and Zone 1AS – Avalon
33 Peninsula South will increase by 7.46 cents per litre above the interim total allowed mark-up
34 for regulated propane for Irving Energy approved in Order No. P.P. 38(2020), effective
35 12:01 a.m. on Thursday, January 7, 2021, on an interim basis, until further Order of the
36 Board.
37
- 38 2. Irving Energy shall continue to provide to the Board, by the 1st of each month, an update on
39 the circumstances related to the supply of regulated propane by Irving Energy to Zone
40 1ANE – Avalon Peninsula Northeast, Zone 1ANW – Avalon Peninsula Northwest and Zone
41 1AS Avalon Peninsula South, setting out any changes to the method of supply and the
42 associated costs.

DATED at St. John's, Newfoundland and Labrador, this 5th day of January, 2021.



Darlene Whalen, P. Eng., FEC
Chair and Chief Executive Officer



Dwanda Newman, LL.B.
Vice-Chair



Christopher Pike, LL.B., FCIP
Commissioner



Cheryl Blundon
Board Secretary