

**FUEL PRICE ADJUSTMENT FOR ALL NON-GOVERNMENT AND COMMUNITY  
GOVERNMENT CUSTOMERS IN COMMUNITIES SERVED BY PPD**

Mr. Speaker:

I'd like to speak about the reductions in fuel prices that have taken place this year for communities served by the Petroleum Products Division. These reductions represent significant savings for retail and government customers. During 2009, petroleum product prices charged to retail customers by PPD decreased by an average of more than 25% across the Northwest Territories. Gasoline prices have been reduced by no less than 16 cents per litre to as much as 33 cents per litre and heating fuel prices have been reduced by no less than 16 cents per litre to as much as 51 cents per litre.

Under the current FMB-approved pricing guidelines, the cost of purchasing, transporting and delivering fuel is recovered in the retail prices charged in the communities served by the Petroleum Products Division. Prices are normally adjusted after each annual resupply to reflect the costs of the fuel purchased for resale.

Many of our communities are resupplied with fuel only once a year, and because of that, by December of 2008, customers in many communities were paying high prices while prices were falling elsewhere in Canada.

By January of 2009, fuel market prices had stabilized at a lower level, and a decision was made by this government to pass a portion of future cost reductions to our customers well before the annual resupply adjustments took effect. With prudent fiscal management the Petroleum Products Division had accumulated a modest budget surplus. In January the Petroleum Products Division used this surplus to reduce the retail prices of heating oil and gasoline by sixteen cents per litre for all non-government customers and community government customers in all communities they serve.

Mr. Speaker, Communities also received further price reductions after their annual 2009 resupply. The price of heating fuel was reduced in Sahtu, Tlicho, Dehcho and Nahendeh winter road supplied communities in April and in the barge-supplied communities of Fort Good Hope and Lutselk'e in August. Sachs Harbour, Ulukhaktok and Paulatuk price reductions took place on October 1. Gasoline prices in Fort Good Hope were reduced on October 20. With the barge re-supply for Tulita now complete the petroleum product price reductions will take place before the end of October.

Mr. Speaker, I'm pleased to say that the use of more cost efficient marine transportation routes, the prudent use of the petroleum products stabilization fund, combined with the general decline in world market prices for petroleum are factors that have converged to provide a measure of price relief to those most affected by the high cost of living in our remote communities.

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