NEW BRUNSWICK
ENERGY & UTILITIES BOARD

COMMISSION DE L'ÉNERGIE ET DES SERVICES PUBLICS
NOUVEAU-BRUNSWICK

DECISION

IN THE MATTER OF a review of maximum retail margins, maximum delivery costs, and maximum full-service charge for motor fuel and furnace oil.

(Matter No. PT-001-2026)

September 23, 2026

IN THE MATTER OF a review of maximum retail margins, maximum delivery costs, and maximum full-service charge for motor fuel and furnace oil.

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ORAL HEARING: August 10, 2026

NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

Chairperson	Christopher J. Stewart
Member	John P. Logan
Member	Michael A. Pickup

PARTICIPANTS:

Convenience Industry Council of Canada - And- Canadian Energy Marketers Association	David Knight
Clark Oil Co. (2010) Ltd.	Peter Clark
Irving Oil Limited	James MacDuff
Oil Heat Association of New Brunswick	William LeRoy
Park Fuels Ltd.	Matthew LeRoy
Scholten Group	Jerry Scholten Chris Scholten
Shoreline Fuels Inc.	Nadine Hébert
PUBLIC INTERVENER:	J.M. Alain Chiasson
BOARD STAFF:	Mara Mallory

Table of Contents

1 Introduction and Summary Conclusion

[1] The Board regulates the maximum retail margin, maximum delivery costs and the maximum full-service charge for motor fuels as well as the maximum retail margin and maximum delivery costs for furnace oil.

[2] On its own motion, pursuant to Section 14 of the *Petroleum Products Pricing Act*, the Board initiated a review of whether the maximum retail margins and delivery costs set by the Board on September 12, 2025 (effective September 19, 2025) remain justified or should be adjusted. The Board chose to order this review within approximately one year of its last decision given the changing world within which these markets exist and to ensure that it reviews these margins on a regular basis.

[3] For the reasons below, the Board approves:

a. a maximum retail margin decrease of 0.74 cents per litre for motor fuel, which sets the maximum retail margin at 9.92 cents per litre for motor fuel; and

b. no change to the maximum delivery costs for motor fuel, which maintains the maximum delivery cost at 4.75 cents per litre for motor fuel; and

c. no change to the maximum full-service charge for motor fuel, which maintains the maximum full-service charge at 3.0 cents per litre for motor fuel; and

d. no change to the maximum retail margin for furnace oil, which maintains the maximum retail margin at 36.24 cents per litre for furnace oil; and

e. no change to the maximum delivery cost for furnace oil, which maintains the maximum delivery cost at 5.00 cents per litre for furnace oil.

2 Overview

[4] Section 1.1 of the *Petroleum Products Pricing Act* (the "Act") requires the Board to ensure that any adjustments to retail margins, costs and charges are justified and that consumers should benefit from the lowest price possible without jeopardizing the continuity of supply of petroleum products.

[5] To determine whether an adjustment to the maximum retail margin is justified, the *General Regulation – Petroleum Products Pricing Act* (the "Regulation") requires the Board to consider the following:

a. changes to the costs of transporting heating fuel or motor fuel from New York Harbor or, in the case of propane, from Sarnia to the province,

b. changes to volume of sales,

c. changes to storage costs,

d. changes to inventory turnover rates,

e. changes to applicable levies and insurance costs, and

f. any other factors that the Board considers relevant.

[6] To determine whether an adjustment to the maximum delivery cost is justified, the *Regulation* requires the Board to consider the following:

a. fuel costs,

b. insurance costs,

c. capital costs,

d. volume of sales, and

e. any other factors that the Board considers relevant.

[7] To assist in its current review, the Board engaged Gardner Pinfold Consultants Inc. ("GP") to analyze the factors affecting maximum retail margins and delivery costs for motor fuel and furnace oil (heating fuel), as well as the full-service charge for motor fuel. GP filed its final report with the Board on June 05, 2026 (the "GP Report"). In that report GP made recommendations and comments to the Board on how it may wish to proceed on these matters.

[8] The Public Intervener filed a report prepared by Doane Grant Thornton, which considered maximum retail margins, maximum delivery costs and maximum full-service charge for motor fuels and heating fuel and a jurisdictional review of motor and heating fuel models in Atlantic Canada (the "DGT Report").

[9] Expert witnesses at the hearing were Michael Gardner and Gregor MacAskill of Gardner Pinfold Consultants Inc. as well as Angie Brown of Doane Grant Thornton. Mr. Gardner and Mr. MacAskill were declared experts in the field of economics, market structure and competitive behaviour in related industries. Ms. Brown was declared an expert in the review of pricing of regulated petroleum products.

[10] The Convenience Industry Council of Canada ("CICC") and the Canadian Energy Marketers Association ("CEMA") filed joint written evidence and David Knight, a senior consultant with the CICC and the CEMA, testified on their behalf during the hearing.

[11] The Scholten Group filed written evidence and Jerry Scholten of the Scholten Group testified on its behalf during the hearing.

[12] Clark Oil Co. (2010) Ltd. and Irving Oil Limited actively participated in the hearing and made final submissions with Peter Clark on behalf of Clark Oil Co (2010) Ltd. and James MacDuff on behalf of Irving Oil Limited.

[13] Shoreline Fuels, represented by Nadine Hébert, was present for part of the hearing, without filing written evidence or making a final submission. While granted Intervener status in this matter, both the Oil Heat Association of New Brunswick and Park Fuels Limited did not attend the Oral Hearing or provide notice as to the reasons for their absence.

3 Issues

[14] The Board's responsibility during this type of review is to ensure that the current maximum retail margins, delivery costs and, in the case of motor fuel, the full service charge are justified, and to make adjustments that it deems appropriate. Any approved adjustments could be higher or lower than those previously set.

[15] As to what this means for consumers it is helpful to look at an example. After the previous review, the Board-approved maximum motor fuel retail margin was 10.66 cents per litre ("cpl") effective September 19, 2025. For a consumer filling a typical 50 litre tank, the retail margin portion of the maximum price set by the Board is $5.33 per tank. That means a hypothetical 10% increase in the retail margin equates to 53.3 cents in total on a 50 litre regular unleaded gasoline purchase. The maximum delivery costs approved on September 19, 2025 was 4.75 cpl, which amounts to a total delivery cost of $2.38 on a 50 litre purchase. With the same comparable in mind, a 10% increase in the margin means a total difference of 23.8 cents on a 50 litre tank purchase. Of course, with larger purchases or more frequent purchases, the amounts add up for both the retailer and consumer.

[16] In aggregate, at the September 19, 2025 approved amounts, the retail margin and delivery costs in total, at the maximums, would be 15.41 cpl of the total price the consumer pays at the pump. If the maximum price for regular unleaded gasoline on a given day was $1.80 per litre, these components would represent as much as 8.6% of the total being paid.

4 Methodology and Approach continues to be appropriate

[17] The adjustments in the Board's previous review were based on data for the period ending in 2024. The review in this matter is based on data from 2024 to 2025, with 2024 used as the base year against which any cost changes are calculated. Interveners did not challenge the fundamentals of this approach, which is consistent with the Board's prior reviews.

[18] Considering changes to maximum margins is based on whether the Board is satisfied that retailers' costs of operation have changed materially in the relevant period, in this case from 2024 to 2025. The onus is on industry to produce evidence to demonstrate that their costs of operation have changed through actual cost data and not simply rely on indirect data in the form of input costs (for example, an increase in minimum wage).

[19] Gardner Pinfold's analysis relied on the following data to support their conclusions:

1. volume data provided by retailers and by the New Brunswick Department of Finance & Treasury Board and Statistics Canada,

2. operating expense data, submitted directly to the Board, by retailers of motor fuels and furnace oil, and

3. minimum wage, average wage, fuel prices and utility rates, to be used as a guide to confirm (or otherwise) the reliability and consistency of the cost data provided.

[20] Cost information requested from retailers included expenses related to credit card fees, repairs and maintenance, insurance, utilities, and wages and benefits.

[21] The Board concludes that this approach, which compares changes to the most recently available data on retailers' costs and volumes from that which existed when the margin was last set, continues to be appropriate to determine if a change in the maximum retail margin is justified.

5 Motor Fuel

5.1 Representative Data

[22] The Board-gathered data, used by GP in its work, is the foundation on which most of the analysis is done. Therefore, the Board must be satisfied that this data is representative of the costs incurred by New Brunswick retailers as a key factor in determining whether an adjustment to the maximum retail margin is warranted.

[23] According to the GP Report, in 2025 there were 405 retail outlets that had sales but eight stopped fuel sales during the year, indicating 397 operating outlets at year end. Gardner Pinfold received data sets for 264 retail outlets and concluded that 154 of those were useable for analysis. The 110 excluded outlets were excluded due to a lack of data in either the 2024 base year or in 2025.

[24] With approximately 39% of provincial retail outlets (154 useable out of 397 in total) and 50% of the provincial volume represented in Gardner Pinfold's analysis, the data collection of operating costs and volumes is slightly higher than the amounts used in the 2025 review. The Board finds that the data from 154 motor fuel retailers regarding operating costs and volumes is sufficiently representative of the New Brunswick marketplace. The Board is also pleased to see the increase in percentage of useable outlet data from the prior year.

5.2 Results of the Retail Margin Review by GP

[25] The GP Report concluded that, since the Board last fixed the maximum retail margin in Matter No. PT-001-2025, retailer operating costs have increased by 0.6% while the volume of retail sales has increased by 8.0% over 2024 amounts. This results in a net decrease in retailer expenses of 6.9%. Accordingly, GP recommended that the retail margin be adjusted from 10.66 cpl to 9.92 cpl, which is a decrease of 0.74 cpl.

[26] During the oral hearing there were arguments made by interveners that the total expense increase of 0.6% and the year over year volume increase of 8.0% may not make sense and that the Board should stand back to see if the changes are reasonable.

[27] Wages and benefits were highlighted as a reported expense where no parties could indicate why this expense, which accounts for approximately three-quarters of reported expenses, decreased by 0.7% in 2025 over 2024. While the CICC/CEMA representative, David Knight, the Scholten Group, Clark Oil Co. (2010) Ltd. and the Public Intervener speculated as to possible causes, no party provided evidence to explain the decrease or show that this number was not accurate. All other reported expenses increased including, for example, an increase of 0.2% for credit card fees at the low end of the range, to an increase of 15.5% for insurance costs, at the high end of the range. There was little discussion around these increased expenses. Therefore, the Board accepts all the reported expenses as valid for purposes of the review.

[28] There was much discussion at the oral hearing on the 8.0% volume increase in 2025 over 2024. The CICC/CEMA's David Knight, the Scholten Group, and Clark Oil Co. Ltd. took issue with the reported increase of 8.0% in volumes in 2025 over 2024. They argued that this increase may not be durable and the Board should consider whether the GP

recommendation is reasonable given the historical volumes in recent years. Historical volume data was presented and while the 2025 GP amount is higher than volumes in the last couple of years, it is not extraordinary or unusual when trends are viewed over a longer period. No party provided any evidence to suggest the volume numbers used by GP in this review were inaccurate in any way. The Board accepts the volume numbers used by GP in its calculations.

[29] At the oral hearing, the question arose as to what would happen if the lowest quartile of sample retailers (lowest volume group) was removed from the full sample used by GP. At the hearing, GP redid their analysis by removing that quartile and found that the result would be a 1.8% decrease in operating costs rather than the 6.9% decrease with the full sample. On cross examination, GP stated that using its full sample analysis with all information included remained the best way to go as it produced the more complete provincial picture and remained consistent with the approach taken in prior reviews. Also, introducing a change to the methodology by removing data from the sample could raise statistical reliability concerns by altering results. This includes the validity of changing data sets in a year with a significant decrease in margins. Therefore, the Board believes that the approach used by GP to include all quartiles of data remains the best approach to calculating recommended changes.

[30] During the oral hearing the Public Intervener changed his initial acceptance of GP's recommended decrease of 6.9% to support a 1.8% decrease, based on the exclusion of the lowest quartile of respondents' data as outlined above. For the reasons noted, the Board does not accept the Public Intervener's view that including the lowest quartile cost resulted in non-representative results.

[31] The CICC/CEMA, the Scholten Group and Clark Oil Co. (2010) Ltd. all advocated that the Board should keep the 2025 maximum retail margin in place without adjustment for 2026. While they did not dispute the accuracy of the numbers and the methodology used, they believed more time was needed to determine if the increase in volumes shown in 2025, over 2024, is lasting and durable. While they provided general commentary on the risk to the continuity of supply, no actual evidence or analysis was provided that would support a risk to the continuity of supply with this decrease. The Board believes that the recommended decrease is consistent with the objective of assuring the lowest possible consumer price without jeopardizing continuity of supply.

[32] The decrease in the retail margin reflects the fact that there was evidence of a modest increase in expenses with a large increase in volumes, and consumers should benefit from the lowest price possible, while recognizing there was no evidence of a real risk to the

continuity of supply. The Board finds that a decrease in the retail margin of 0.74 cpl from 10.66 cpl to 9.92 cpl is justified. A 0.74 cpl reduction will save consumers 37 cents on a 50 litre purchase.

6 Maximum delivery costs

[33] The Board has authority to adjust maximum delivery costs that may be charged by retailers if it determines that doing so is justified.

[34] Delivery costs are intended to reflect the actual costs incurred by individual retailers for the delivery of motor fuel. A retailer is prohibited from charging consumers more than the lesser of the retailer's actual delivery cost and the maximum delivery cost set by the Board.

[35] In GP's examination of motor fuel delivery costs submitted by retailers it found that the current 4.75 cpl delivery charge, which became effective September 19, 2025, was adequate in 2025 for the 284 stations that reported charges (72% of the 397 total). They also noted that the 4.75 cpl delivery charge may be adequate for the other 113 stations (28% of the 397 total) for which delivery costs were not reported.

[36] Unlike the 2025 review, no evidence was presented or recommendations made to suggest there is a shortfall in delivery cost margins being experienced by retailers in smaller communities. Therefore, there is no reason to not hold delivery cost amounts constant as noted in paragraph 35.

[37] The Public Intervener concurred with GP's recommendation to keep delivery costs at 4.75 cpl. The CICC/CEMA, the Scholten Group, Clark Oil Co (2010) Ltd. and Irving Oil Limited, while not explicitly accepting GP's recommendation, did not contradict the basis to maintain the delivery costs at the 2025 amount.

[38] The Board finds that the current maximum motor fuel delivery cost is adequate and concludes that no adjustment to the 4.75 cpl delivery cost is justified. Additionally, the Board finds that current motor fuel delivery cost for the Parish of Grand Manan of 5.75 cpl is adequate and that no adjustment is justified.

6.1 Maximum full-service charge

[39] Legislation permits motor fuel stations offering full-service to consumers to charge an extra amount for that service. GP found that most outlets that offer full-service set their price 1-2 cpl above self-service, which is less than the current maximum of 3.00 cpl allowed. GP noted that this is mainly for competitive reasons.

[40] Gardner Pinfold recommended maintaining a full-service charge of 3.00 cpl. The Public Intervener agreed with the recommendations and other parties were silent on this issue. There was no case made or evidence presented by others to contradict GP's recommendation.

[41] The Board concludes that no adjustment to the current full-service charge of a maximum of 3.00 cpl is justified.

7 Furnace Oil

7.1 Indicative data

[42] The Board must be satisfied that the current data is indicative of the New Brunswick furnace oil market. To do this, the Board obtained data from retailers through simplified reporting requiring cost information on the following expenses: credit card and banking charges, repairs and maintenance, insurance, vehicle and fuel expenses, and wages and salaries (management and operations).

[43] Data was collected from 15 retailers, which is two more than in 2025. However, GP was of the view that only seven retailers provided usable data, which was two less than in 2025. Gardner Pinfold noted that these seven retailers represent about 26% of the New Brunswick furnace oil market by volume. GP indicated that if the seven are representative of the industry, it would be by coincidence.

[44] While the data supplied by the seven retailers may not be representative of the furnace oil market, GP did note that this data suggested that furnace oil volumes increased by 0.5% in 2025 over 2024, while expenses increased by 18.4% for the seven reporting, resulting in an increase of 17.7%. Given the small size of the sample of usable retailers, large fluctuations can occur. As discussed below this illustrates the critical importance of having reliable information from a larger share of the furnace oil retailers.

7.2 Retail margin

[45] The Board may adjust the retail margin for furnace oil if it is satisfied that an adjustment is justified by a change in retailers' costs.

[46] Based on the available information it had, GP indicated that, in its view, there is insufficient data to support a valid margin analysis and recommendation on any adjustment to the retail margin for furnace oil. With the usable data it had, the sample showed an increase in volumes of 0.5% while the GP report also noted that overall sales volume at the provincial

level declined 3.7% from 2024 to 2025. This may be demonstrative of the limited usefulness of such a small sample.

[47] The Board must consider whether a failure to adjust the retail margin in 2026 from the amount set in 2025 will still allow consumers to benefit from the lowest possible price without jeopardizing continuity of supply.

[48] In this changing market, in general, as volumes of sales decline at the overall provincial level, it becomes increasingly expensive to serve customers who continue to use furnace oil.

[49] According to the GP Report, at page 10, "*a margin increase could be considered in order to avoid limitations on heating fuel suppliers that may otherwise cease deliveries*." The report also notes that even if data was available to support an adjustment, there would be little point in doing so, since prices are largely market limited. However, no evidence was provided to indicate that retailers may exit the market without a retail margin increase.

[50] The Public Intervener endorsed the GP findings and did not make any recommendations on changes to the retail margin for furnace oil. Irving Oil Limited argued there should be an increase to the retail margin, based on the sample results, so that those who provided data are not penalized because most retailers did not provide the requested data. The CICC/CEMA, the Scholten Group, and Clark Oil Co. (2010) Ltd. did not offer an explicit position on GP's conclusion that they could not carry out an adequate analysis or provide a recommendation. There is a general acknowledgement that the overall provincial volume decline has long term implications for continuity of supply. Having said that, as indicated above, very few retailers in the furnace oil market responded to the Board's request for data to allow the Board to make informed and statistically valid analysis and decisions.

[51] The Board concludes that no change to the retail margin is justified. It will remain at 36.24 cpl as set in 2025. The Board expects industry to cooperate more fully in the future and provide the requested data so that decisions can be made based on more complete data. It is in the interest of both industry and consumers to have a fulsome picture available to the Board in future reviews.

[52] While the Board increased the furnace oil margin in 2025 without fully sufficient data, the Board also indicated in that decision that it will be unlikely to make additional adjustments in the future without sufficient and reliable data. The security of supply is dependent upon accurate retail margin adjustments so that changes are not disconnected from what the retailers are experiencing. The Board was clear in its 2025 decision, so a decision to not adjust this margin without reliable data should not come as a surprise. It will be incumbent

upon furnace oil retailers to supply the requested operational cost data for the Board to consider whether future margin adjustments are justified. The Board can no longer rely on indirect or anecdotal evidence of higher costs and/or declining volumes and statistically unreliable data.

7.3 Maximum delivery costs

[53] The current maximum delivery cost for furnace oil is 5.00 cpl, initially set in 2006 and maintained in the recent September 12, 2025 decision of the Board.

[54] No party provided any evidence or made a recommendation concerning an adjustment to maximum delivery costs for furnace oil.

[55] Without evidence, the Board is unable to conclude that an adjustment to the maximum delivery cost for furnace oil is justified and, therefore, the maximum delivery cost for furnace oil will remain at 5.00 cpl.

[56] As with the retail margin, future delivery costs adjustments by the Board will not be considered without statistically reliable data. It remains incumbent upon retailers to cooperate and provide the necessary information for such future considerations.

8 Industry participation needs to increase

[57] The Board has been clear in the past, most recently in its September 12, 2025 decision, that a review of this nature requires strong industry participation to provide the Board with necessary data upon which it can assess whether an adjustment is warranted. While the Board appreciates the participation of those few retailers who supply data, the Board also notes that its past encouragement for industry to more fully participate in future reviews has not produced better participation results.

[58] During the hearing, interveners suggested that perhaps it is time to consider penalties and other punitive actions to force higher participation. Rather than beginning burdensome legal and other efforts by all parties, the Board will look to other options beyond action already taken to facilitate increased participation by industry.

[59] After the September 12, 2025 decision the Board conducted a review of its forms and processes and made changes designed to facilitate increased participation of motor fuel and furnace oil retailers and the efficient and effective reporting of their cost data. Those changes have not produced the desired increases in participation for furnace oil retailers.

[60] The Board will now look to additional changes to its approach to gathering data from retailers and how they might more fully participate in providing data. While the onus remains on retailers to provide cost data, and it is unequivocally in their own self-interest to do so, the scope of what the Board may consider includes: timing of the collection of data; nature and form of what needs to be provided; educational and information sessions; direct outreach to retailers; its planned approach to data analysis including engagement with retailers; and other measures it may deem as potentially helpful. The Board will attempt to take a more active role in making this happen, but it will require willing partners in industry. If participation results do not improve in the next review, the Board may be forced to take additional steps to encourage compliance.

[61] The Board intends to hold another retail margin review in 2027.

9 Conclusion

[62] The table below reflects the adjustments made and the new margins effective as of the Board's price setting effective 12:01 a.m. Friday, September 25, 2026.

Retail Margin, Cost, or Charge (not including HST)	**Prior to this Decision (cpl)**	**Adjustment (cpl)**	**As Adjusted (cpl)**
Motor Fuel			
Maximum Retail Margin	10.66	- 0.74	9.92
Maximum Delivery Costs	4.75	-	4.75
Maximum Delivery Costs (Grand Manan)	5.75	-	5.75
Full-Service Charge – Motor Fuel	3.00	-	3.00
Furnace Oil			
Maximum Retail Margin	36.24	-	36.24
Maximum Delivery Costs	5.00	-	5.00
Maximum Delivery Costs (Grand Manan)	5.00	-	5.00

Dated at Saint John, New Brunswick, this 23rd day of September, 2026.

Christopher J. Stewart
Chairperson

John P. Logan
Member

Michael A. Pickup
Member