



Backgrounder: Retail Fuel Price Increase

Nunavut's energy comes from fossil fuels. This fuel is transported during the short summer shipping season, which is when the Government buys the annual supply of petroleum products on world markets. This year, world crude oil prices remained very high and in recent weeks prices have risen above \$85 US a barrel.

World oil prices are volatile and are prone to sudden shifts. However, the Government cannot delay purchases of its petroleum products in the hope that the world oil prices will fall. Doing so would risk trying to complete deliveries to communities during freeze up and some communities might not receive all of the fuel that would be needed.

In most of Canada, fuel is bought continuously and fluctuations in the world price are reflected more quickly in the price paid by consumers. In Nunavut, a high or low price will be reflected in a bulk purchase for an entire year.

In response to higher world oil prices, the Government has approved a general price increase of 10 cents/litre for gasoline (10.6 cents/litre with GST) and 20 cents/litre on aviation fuel (21.2 cents/litre with GST) in all Nunavut communities. The price increases take effect on November 1st, 2007. The Government specifically chose not to increase the retail price of home heating fuel which Nunavummiut rely upon to heat their homes and businesses.

Despite the approved increases, Nunavut's fuel prices are still comparatively low to many other Canadian jurisdictions.

GASOLINE

Location	Price Per Litre
Churchill	155.0
Kujjuag	153.0
Yellowknife	131.9
Whitehorse	126.3
Labrador City	121.3
Pangnirtung	120.1
Rankin Inlet	127.1
Cambridge Bay	128.8

JET Fuel

Location	Price Per Litre
Edmonton	142.0
Winnipeg	141.0
Ottawa	133.0
Yellowknife	150.0
Whitehorse	146.4
Kuujuuaq	177.0
Iqaluit	119.9
Rankin Inlet	138.3
Cambridge Bay	146.9