

To: All Retailers of Regulated Petroleum Products
Re.: Regulations respecting the wholesale price and retail mark-up
Date: 18 April 2011

The decision whether to opt out of the regulations respecting wholesale price and retail mark-ups is an important one unique to each individual business. It is recommended that you seek professional advice about the impact of this decision on your business.

Notification Requirement - Sections 7 and 8 of the *Petroleum Products Pricing Regulations*

Whether or not you are opting out of regulations respecting the wholesale price and retail mark-up, you must provide notification of your decision to the Minister and to your wholesaler or wholesaler retailer.

You must:

- Send a signed Statement of Retailer form to the Minister at the address below (keep a photocopy for yourself).
- Send a copy of your contract with your wholesaler or wholesaler-retailer to the Minister at the address below.
- Send a signed copy of the Statement of Retailer form to your wholesaler or wholesaler-retailer. It is recommended you send this by registered mail or courier.

These must be provided no later than 30 days after your existing contract expires if you hold an existing contract with a wholesaler or wholesaler-retailer, or no later than 30 days after you are issued a motive fuel retailer's approval under the *Environment Act* if you do not hold an existing contract with a wholesaler or wholesaler-retailer.

The original Statement of Retailer with required signatures should be sent, together with a copy of your contract, by registered mail or courier to :

Service Nova Scotia and Municipal Relations
Petroleum Product Price Regulation
Consumer and Business Programs
8th Floor South, Maritime Centre
PO Box 1003
Halifax, N.S. B3J 2X1

Not Opting Out

If you opt to remain under the regulations respecting wholesale price and retail mark-up, you agree to accept the fixed wholesale price and regulated retail mark-up on regulated petroleum products you sell. The current retail mark-up on regulated self service products is four (4) to five and one-half (5.5) cents per litre and a minimum of four (4) cents per litre on regulated full-service products. The current maximum retail mark-up on regulated full service products varies. It is set so that the maximum retail price may not be greater than 999.99 cents per litre. Retail mark-ups are set by the Nova Scotia Utility and Review Board and are subject to change by the Board.

Opting Out

If you opt out of the regulations respecting wholesale price and retail mark-up you must make an arrangement with your wholesaler on wholesale price and retail mark up.

Points of Note

- Nothing in the regulations prevents a retailer and a wholesaler from entering into a new agreement respecting compensation, regardless of the option a retailer selects.
- It is important to note that no agreement takes precedence over or exempts a retailer from regulations that set the minimum and maximum retail price for sale of regulated petroleum products to a consumer. You must charge a retail price between the regulated minimum and maximum retail price for a petroleum product.
- You should be aware that the Nova Scotia Utility and Review Board has responsibility for setting the wholesale margin and retail mark-up among other things. This means the current wholesale margins of 6.0 cents per litre + transportation allowance and retail mark-up of 4.0 – 5.5 cents per litre may change at the discretion of the Board.

If you require additional clarification please feel free to contact Maggie MacDonald at 424-3494 or Dale Madill at 424-5051.

Statement of Retailer
Petroleum Products Pricing Regulations

Please choose one:

- Pursuant to Section 8 of the *Petroleum Products Pricing Regulations* I have decided not to opt out of the regulations with respect to the wholesale price and retail mark-up of a petroleum product. I accept the wholesale price and retail mark-up as established under Sections 17 and 18 of the Regulations. The current retail mark-up for regulated self service products is four (4) to five and one-half (5.5) cents per litre and a minimum of four (4) cents per litre on regulated full-service products. Retail mark-ups are set by the Nova Scotia Utility and Review Board and are subject to change by the Board.
- Pursuant to Section 7 of the *Petroleum Products Pricing Regulations* I have decided to opt out of the regulations with respect to the wholesale price and retail mark-up of a petroleum product. A copy of my contract with my wholesaler or wholesaler-retailer is attached to this form.

I recognize that I must comply with Section 10 of the *Petroleum Products Pricing Regulations* respecting the price to be charged to a consumer for a petroleum product, regardless of whether I have decided to opt out of the regulations with respect to the wholesale price and retail mark-up.

Dated at _____, in the County of _____, Province of Nova Scotia,
on _____, 201__.

Signature of Witness

Name (please print)

Date

Signature of authorized representative of retailer

Name of authorized representative (please print)

Legal business name of retailer

Address

City Province Postal Code

Telephone number

Wholesaler or Wholesaler-Retailer: Pursuant to subsections 7(3) and 8(3) of the *Petroleum Products Pricing Regulations*, you are required to acknowledge receipt of this form by signing below and returning the form to the Minister not later than 15 days after receipt of this form.

Signature of Witness

Name (please print)

Date

Signature of authorized representative of wholesaler

Name of authorized representative (please print)

Legal business name of wholesaler

Address

City Province Postal Code

Telephone number

PLEASE RETAIN A COPY FOR YOUR RECORDS