

Ministry of Energy

Ministère de l'Énergie

Office of the Minister

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MC-2016-1960

Ms Rosemarie Leclair
Chair and Chief Executive Officer
Ontario Energy Board
2300 Yonge Street
PO Box 2319
Toronto ON M4P 1E4

Dear Ms Leclair: *Ros,*

Re: Ontario Energy Board Report on Retail Transportation Fuels Prices

I write in my capacity as the Minister of Energy in order to exercise the statutory power I have under section 35 of the *Ontario Energy Board Act, 1998* (the "Act") to require the Ontario Energy Board (the "Board") to examine and report back to the Ministry of Energy (the "Ministry") with advice on the questions outlined below.

Background

Ontario retail prices for gasoline and diesel (collectively, "transportation fuels") are understood to be generally affected by world crude oil and North American wholesale markets, leading to price changes in response to supply and demand conditions in these markets. In addition, competitive forces are understood to affect transportation fuel prices at a regional or local level.

The Ministry of Energy monitors Ontario transportation fuels prices and makes that information publicly available on its website. This information illustrates the degree of variation in prices across regions and over time.

These price variations have resulted in ongoing public interest, notably in gasoline prices, with respect to:

- The relationship between crude oil prices and retail gasoline prices;
- Retail gasoline price variations within a region or between regions within Ontario, or between Ontario and other provinces and U.S. states; and
- The information available to consumers about those price variations and the reasons for them.

.../cont'd

Although the Board does not license or set prices or terms and conditions for the transmission, distribution, storage or sale of transportation fuels, the Board's consumer protection mandate and robust processes position it well to undertake the kind of review that will assist the ministry in this matter.

Section 35 Report

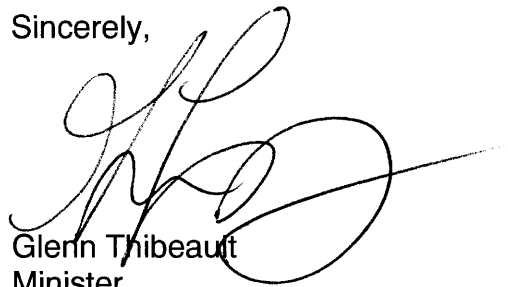
Therefore, I require the Board to examine Ontario's retail transportation fuels market and report to me on the extent and causes of price variations over time and between regions in Ontario, how transportation fuels pricing and the retail transportation fuels market in Ontario compares with pricing and markets in other jurisdictions and the nature and extent of information available to consumers in relation to retail transportation fuels pricing and price variations.

In carrying out its work to prepare this report, it is my expectation the Board will undertake consultations with such parties as the Board deems appropriate. The Board may also wish to engage external experts and consult with other agencies having relevant expertise or experience such as the federal Competition Bureau.

I would ask that the Board report back to me as expeditiously as possible on its review.

This letter takes effect on the date it is issued.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Thibeault', with a long horizontal flourish extending to the right.

Glenn Thibeault
Minister

- c: Serge Imbrogno, Deputy Minister, Ministry of Energy
Carolyn Calwell, Director, Legal Services Branch, Ministries of Energy;
Economic Development and Growth; Infrastructure; Research, Innovation
and Science; and Accessibility