

SELLING PRICES OF PETROLEUM PRODUCTS

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WHEREAS, on February 6, 1997 the Board issued ERB Resolution No. 97-06 which took effect on February 7, 1997, fixing/rationalizing the wholesale and retail/pump prices of petroleum products throughout the country;

WHEREAS, on January 16, 1998, the Board issued an Order granting provisional authority to increase the wholesale posted prices of petroleum products, refined and/or marked by the oil companies locally, by a weighted average amount of fifty two point ninety seven centavos (P0.5297) per liter;

WHEREAS, this Board in its Decision in ERB Case No. 98-12 on March 6, 1998 approved the Automatic Pricing Mechanism (APM) formula to be used in determining the wholesale posted prices (WPP) of petroleum products based on the Dubai crude landed cost;

WHEREAS, the average FOB cost of Dubai crude posted for the month of February 1998 was US\$12.62 which is lower by US\$1.22 per barrel as compared to the average January 1998 postings of US\$13.84 per barrel. Using the average exchange rates during those periods based on BSP rates of P40.4143 and P42.6610 to one US dollar for the months of February and January 1998, respectively, resulted to a reduction of cost by fifty six point sixty three centavos (P0.5663) per liter of petroleum products;

WHEREAS, there is a need to zero-out the current claim or contribution to the oil price stabilization fund (OPSF);

WHEREAS, based on the approved APM, computation resulted to an average P0.5663 per liter reduction in the prices of petroleum products and considering the removal of the OPSF cross product subsidy, shown below are the adjustments to the prices of petroleum products:

In Peso Per Liter

Crude Change

Removal of OPSF cross product subsidy

Total Reduction

Premium- Lowlead

(0.6977)

(0.5933)

(1.2910)

Premium Unleaded

(0.6935)

(0.3050)

(0.9985)

Regular

(0.7078)

(0.3069)

(1.0147)

Avturbo

(0.6258)

(1.0725)

(1.6983)

Kerosene

(0.6333)

0.4407

(0.1926)

Diesel Oil

(0.6217)

0.3915

(0.2302)

Fuel Oil/ Feedstock

(0.3794)

0

(0.3794)

LPG

(0.8204)

(0.6798)

(1.5002)

Average

(0.5663)

0

(0.5663)

WHEREAS, there is again a need to rationalize the transshipment rates in order to reflect the transshipment rates the industry was already charging its customers before the Supreme Court declared R.A. No. 8180 (An Act Deregulating the Downstream Oil Industry) unconstitutional;

WHEREFORE, this Board hereby directs and requires all petroleum entities concerned such as the oil companies and the gasoline station operators/dealers to sell their products at prices indicated in a list attached to and made integral part of this resolution.

The foregoing entities are hereby advised to comply with and observe the following:

- All items for posted price differential (PPD) previously authorized as payback for investment incurred in establishing new and necessary depot facilities in strategic areas, and those for company transshipment differential (CTD) designed to ensure the continuous operation of some depots by the oil companies shall accrue to the latter. The items for rounding-off differential (RD) shall accrue in the meantime to the oil companies. In this connection, the oil companies are hereby directed to submit to the Board, within twenty (20) days of the following month, a monthly report, by depot, on the PPDs, CTDs abovementioned.
- Wharfage fee, if any, shall be borne solely by the oil companies, and shall not be charged to resellers or dealers.
- The haulers by sea charge the same water hauling rate of P0.1140 per liter authorized in favor of overland haulers in the Metro Manila.
- The maximum allowable pumping charge for fuel oil deliveries has been set at P0.02 per liter, which amount shall accrue to overland haulers.
- The retail prices for kerosene, indicated in the price list hereto attached and made integral part of this resolution, consist of “(a)” — pump prices, “(b)” — ambulant + resellers, and “(c)” — retailing by sari-sari stores.

The retail price for kerosene to be charged by ambulant resellers — “(b)” and retailing by sari-sari store — “(c)” is the retail/pump for kerosene of gasoline station dealers to the consumers in their respective areas, plus handling charge.

The handling charges of ambulant resellers “(b)” in Metro Manila area and in areas outside Metro Manila area are P0.10 and P0.15 per liter, respectively; while those of sari-sari stores “(c)” in Metro Manila area and areas outside Metro Manila are P0.25 and P0.30 per liter, respectively.

As regards the special fuel oil blends, the wholesale posted prices corresponding to the blended fuel oil and diesel components thereof shall be applied, plus any premium to cover for more stringent quality specifications that may be required by the consumers.

Finally, the prices herein indicated, and the prices set forth in the attached list, shall take effect on March 13, 1998.

Let copies of this resolution be furnished the oil companies, the Federation of Petroleum Dealers of the Philippines, Inc. the different oil companies’ dealers association and the Haulers’ Association of the Philippines, Inc. who are directed to disseminate the contents hereof within their respective areas of operation.

Adopted: 13 March 1998

(SGD.) NEPTALI S. FRANCO

Chairman

(SGD.) MELINDA L. OCAMPO

(SGD.) BERNARDA C. LAVISOIRES

(SGD.) ARTEMIO P. MAGABO

Board Members

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