

[ERB RESOLUTION NO. 98-05, March 13, 1998]

SELLING PRICES OF PETROLEUM PRODUCTS

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:

	Crude Change	In Peso Per Liter 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)