



Docket: PD527
Order: PC26-001

PLAIN LANGUAGE EXECUTIVE SUMMARY

BACKGROUND

Application to Sell Petroleum Products in Prince Edward Island

Any person or business in Prince Edward Island that wants to sell petroleum products, which includes gasoline, diesel, propane, and/or furnace oil, must apply to the Island Regulatory and Appeals Commission ("IRAC") for a retail petroleum outlet license. IRAC must approve the application in order for the business or person to be able to sell petroleum products in PEI.

Legislation and Criteria that IRAC Must Consider

When deciding whether to approve an application to open a new retail petroleum outlet (gas station), IRAC has to consider the public interest, convenience and necessity. Section 20 of the *Petroleum Products Act* also says that IRAC has to consider if there is a demand for service, where the gas station will be located, how much traffic is in the area, and the business experience of the person or business applying to open the gas station.

Summary of the Application

On June 27, 2023, D.P. Murphy applied to IRAC for a retail petroleum outlet license to open a new gas station in Borden-Carleton on the corner of the Trans-Canada Highway and Dickie Road. The location is about 6 acres in size. D.P. Murphy would like to open an Irving gas station with four pump islands (allowing 8 cars to get fuel at once) that serve all grades of gasoline (regular, mid-grade, and premium) and diesel, and allow customers to pay at the pump. The gas station would be open 24 hours a day. D.P. Murphy also wants to open a full-scale Tim Hortons restaurant, a convenience store, EV charging stations, and a parking lot for 121 cars and 15 spaces for tractor trailer parking.

There are three existing gas stations open in Borden-Carleton at this time. D.P. Murphy's reason for wanting to open another station is that this location is very busy because it is close to the Confederation Bridge and has many motorists passing through the area that require the services of another gas station. D.P. Murphy also mentioned that PEI's population has grown a lot in the last few years.

Interveners

The owners of two of the existing gas stations filed applications with IRAC to be added as Interveners on this file. An Intervener is someone who is not the person that has filed an application with IRAC, but someone that has a strong and direct interest in the outcome of an application. Often, someone will apply to be an intervener if they want to have a role in the proceedings, like a hearing, related to an application.

In this application, the owners of two of the existing gas stations, Ceretti's Grocery and Hardware Ltd. and Howatt's Tourist Mart, argued that they should be interveners because their businesses would be directly impacted if a new gas station opens. IRAC accepted the owners as interveners, which let them participate in the hearing process. In this case, they were allowed to present evidence and ask questions at the public hearing.

Public Comments

As part of the application process, IRAC requested comments from the public about this proposed gas station. IRAC received around 400 comments; most of these comments were from people that live in Borden-Carleton or in the area around Borden-Carleton. Many of the public comments were in support of the existing gas stations in the area.

Hearing

IRAC held a public hearing on D.P. Murphy's application in May 2025, beginning on May 13th and ending on May 15th. Members of the public, including media, could watch the hearing in-person or listen to it on the IRAC website.

The hearing was in front of a panel of the following Commissioners: Kerri Carpenter (Vice-Chair), Gordon MacFarlane (Commissioner), and Terry McKenna (Part-Time Commissioner).

At the hearing, Danny Murphy, president of D.P. Murphy, and Chris Robertson, CPA, a partner at Deloitte, gave evidence on behalf of D.P. Murphy. Chad Ceretti, president of Ceretti's, and Lloyd Compton, CPA, CA, CBV, CITP, a partner at MRSB gave evidence on behalf of Ceretti's. IRAC allowed both Chris Robertson and Lloyd Compton as experts.

DECISION

IRAC accepts that D.P. Murphy has proven its application and that the gas station the company would like to open will serve the interests, needs and convenience of the public. Even though Borden-Carleton itself has a very small local population, Borden-Carleton is the entrance to the province and it is reasonable to expect that traffic and tourism will increase, meaning that more people will need petroleum products in the area. IRAC agrees that the public will benefit from a new 24-hour retail outlet that offers safe and accessible parking, especially for large and commercial vehicles like RVs and tractor trailers.

The owners of the existing gas stations argued that a new gas station is not needed in the area because it is well-served by the existing options. They also suggested that a new gas station opening could negatively impact their businesses.

While Howatt's did not give any specific evidence showing what the impacts might be on that business, the owner of Ceretti's stated that if a new gas station was allowed to open, his gas station would need to close. His argument was that a new gas station would take away from his business, making it difficult to stay open.

IRAC recognizes that opening a new gas station may result in negative impacts on the existing gas stations. While IRAC has considered this, the legislation says that the needs of the driving public are the only thing IRAC must consider to make its decision, not the needs of existing businesses that sell gasoline.

In order to deny an application because a new station will result in more competition in the area, the Commission needs clear evidence that:

1. the new station will result in the existing businesses closing, and;
2. that existing stations closing would result in less service to the driving public.

IRAC accepts that D.P. Murphy's application to open a new gas station would mean competition for Ceretti's, but the evidence provided to IRAC does not clearly show that Ceretti's would have to close if the application was approved.

ORDER SUMMARY

IRAC approves the application filed by D.P. Murphy, which will allow them to open a new gas station in Borden-Carleton. The approval is conditional, meaning that there are things that D.P. Murphy must do and provide proof of to IRAC in order to get the license. These conditions are:

- the gas station must be open 24 hours a day;

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- the gas station must include no less than 121 parking spaces and a minimum of 15 spaces designated for tractor trailers;

D.P. Murphy must also provide copies of the following things to IRAC before they get a license:

- a licensing fee;
- a copy of the development permit and development agreement from the Town of Borden-Carleton;
- a copy of the approval to install storage for petroleum products at this location;
- a copy of the agreement to supply petroleum to this location; and
- proof of ownership of the lands at this location.