

APPLICATION TO PARTICIPATE AS FRIEND OF THE COMMISSION INTERVENER

Request for extension of time and procedural directions - Docket PMC25-01, Commission Petroleum Pricing and Margin Review

Daniel Mullen
September 29, 2026



To: Island Regulatory and Appeals Commission

Docket: PMC25-01 - Commission Petroleum Pricing and Margin Review

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Relief requested

Primary request. Pursuant to Rules 6, 7, 14, 15, 17 and 19 of the Commission's Rules of Practice and Procedure, I request an extension of time and leave to participate as a Friend of the Commission Intervener. I seek limited procedural rights sufficient to file the attached quantitative evidence, respond to questions, make a concise oral or written submission, and participate in any targeted information process the Commission considers useful.

Alternative request. If intervener status is not granted, I ask that these materials be accepted as a public submission and that the Commission consider the requested data collection and procedural directions on its own initiative. I do not seek an adjournment, reopening of completed steps, or duplication of work already performed.

1. Why Friend of the Commission status is the appropriate request

- PMC25-01 raises public-interest issues that extend beyond the existing parties: the reliability of the Charlottetown rack benchmark, the level and structure of wholesale and retail margins, and whether lower acquisition costs can reach consumers.
- My proposed contribution is a reproducible public-source analysis of benchmark spreads, acquisition-cost questions and pass-through mechanisms. It is intended to distinguish demonstrated costs from residual amounts requiring explanation; it does not presume unlawful or anti-competitive conduct.

- The proposed submission differs from the existing industry interventions because it focuses on consumer pass-through, actual acquisition cost, related-party economics, and a time-limited test of lower-price filings. The existing Added Party Interveners are industry participants or industry associations: Irving Oil Limited; the Convenience Industry Council of Canada; the Canadian Fuels Association; and the PEI Petroleum Marketers Association. Order PC26-003 records that each was granted Added Party Intervener status on the basis of a distinct and substantial interest in the proceeding.

Distinct evidentiary contribution. PEIPMA's May 28 intervention application states that it represents companies in the business of retailing petroleum products on Prince Edward Island, that the nature and scope of its participation was still being worked out, and that it did not anticipate introducing new facts in evidence. Order PC26-003 similarly records that PEIPMA did not anticipate presenting facts in evidence. Irving Oil and the Canadian Fuels Association made materially similar statements. By contrast, the present request proposes to file new, reproducible public-source analysis and to test consumer pass-through, actual acquisition economics and the practical operation of the pricing framework. That public-interest evidentiary role is complementary to, rather than duplicative of, the existing Added Party Interveners.

Demonstrable public interest. The subject has generated substantial public engagement. A September 19 Facebook reel in which I raised the Prince Edward Island / New Brunswick gasoline-price disparity has a public-facing view count exceeding 48,000. Meta's connected Page analytics separately report more than 40,000 unique people reached, together with 51 shares and 165 comments. My Page's geographic audience analytics indicate that the initial pricing reel was viewed principally by residents of Prince Edward Island. I can provide the underlying dashboard screenshots or export if the Commission considers them useful. These metrics are offered only as evidence of public interest in the subject, not as proof of any particular pricing conclusion.

- The participation can be principally in writing and need not materially increase the cost or complexity of the proceeding.

Procedural note. Rule 16 requires an Added Party Intervener to show a distinct and substantial interest that is adversely affected by the Commission's decision. The public-interest contribution described here fits more naturally within Rule 17. Rule 19 permits the Panel to grant a different status or impose conditions if it considers another form of participation more appropriate.

Existing intervention order. Order PC26-003 granted all four existing applicants Added Party Intervener status. The proposed Friend of the Commission role does not seek equivalent party rights; it seeks a limited vehicle for a distinct public-interest analysis that can be accommodated without displacing or duplicating the industry parties already before the Commission.

2. Reasons for requesting an extension of time

- The Commission's docket continues to show PMC25-01 as active, with Commission exhibits filed through September 2026 and no hearing date posted.
- The May 11 public notice expressly places the Charlottetown rack benchmark and wholesale and retail margins within the scope of the review.
- Since the intervention deadline, additional public pricing information and regulatory developments have sharpened the questions concerning E10, actual acquisition costs, alternative mainland supply and consumer pass-through.

- The September 24, 2026 Competition Bureau statement concerning Kalibrate also provides new and directly relevant guidance on the handling of granular station-level fuel-market data.

3. Issues proposed for analysis

Issue	Proposed test
Benchmark validation	Compare the Charlottetown benchmark with Halifax/Dartmouth and Saint John comparators after separately accounting for fuel formulation, ethanol content, verified freight, bridge charges, terminal/storage/handling costs and other demonstrated incremental costs.
Actual acquisition cost	Compare posted rack prices with the prices actually paid by licensed wholesalers, net of rebates, discounts, allowances, prompt-payment adjustments and year-end or volume-based consideration.
Realized wholesale economics	Measure the spread between actual delivered acquisition cost and the effective net wholesale selling price, rather than treating the posted benchmark plus the regulated wholesale margin as a complete proxy for realized economics.
Vertical integration / affiliate parity	Where a wholesaler is affiliated with retail outlets, compare the effective economic supply terms available to affiliated outlets with those available to independent branded retailers.
Promotions and affinity discounts	Identify who funds fleet-card, loyalty, banking, CAA or similar discounts and how those amounts are reflected in wholesale pricing, promotional reimbursement and the statutory concept of price.
Retail price floor	Examine whether the minimum retail margin is necessary for network viability or materially restricts the pass-through of lower acquisition costs.

4. Requested Commission data collection

Authority. The Petroleum Products Act gives the Commission broad powers to investigate matters within its jurisdiction and, in section 52, to require a licensee to provide relevant information and documents, permit inspection of books and records, and answer questions under oath. Rules 32, 34, 46, 48 and 51-54 provide procedural tools for access, interrogatories, further evidence, document exchange and confidentiality.

For gasoline and diesel, preferably monthly from January 1, 2024 to the most recent available month, I ask the Commission to obtain or calculate sufficient information to identify:

1. Volumes acquired and sold by product grade and ethanol content.
2. Source terminal or supply point and the posted benchmark or rack associated with each acquisition.
3. Actual invoiced acquisition price net of discounts, rebates, volume allowances, prompt-payment adjustments, year-end rebates and other consideration.
4. Transportation, bridge, marine, terminal, storage and handling costs attributable to bringing product to or within Prince Edward Island.
5. Effective wholesale selling price to independent retailers, including credits, rebates, promotions and other financial consideration.
6. For wholesaler-retailers, the accounting or economic transfer terms applied to affiliated retail outlets.
7. Payments, reimbursements or credits associated with fleet-card, loyalty, banking, CAA or other affinity programs.
8. A current affiliation map showing each significant wholesaler, the branded outlets it supplies, and whether each outlet is affiliated or independent.

5. Confidentiality and safe public reporting

Raw station-level data should not automatically be public. The Competition Bureau's September 24, 2026 Kalibrate position statement concluded that detailed, current, station-specific fuel sales and operational data can be competitively sensitive and can increase the risk of coordination. Accordingly, I ask the Commission to collect any station-level material confidentially and publish only information that is sufficiently aggregated, anonymized and time-lagged to protect competition.

- First preference: public aggregated data sufficient to reproduce the Commission's analytical result without identifying current station-level volumes, costs or pricing strategies.
- If necessary: access to specified confidential information only if the Commission considers that appropriate under Rules 51-54 and on terms it sets.
- If direct access is not appropriate: Commission staff or an independent expert should perform the calculation using confidential inputs and publish the methodology and aggregated results.

6. Regulatory issues for PMC25-01

9. Whether the Charlottetown rack remains a reliable benchmark when materially different mainland acquisition routes are available.
10. Whether the wholesale component should remain a fixed margin or be replaced, in whole or in part, by a transparent cost-based distribution/service allowance.

11. If a cost-based service model is not adopted, whether the minimum wholesale or retail markup should be reduced to the lowest level permitted by law, subject to evidence concerning network viability.
12. How section 29(1)'s common and universal wholesale-price requirement applies where wholesalers are vertically integrated with retail outlets and value can move through rebates, transfer pricing, promotions or other consideration.
13. How section 65 should apply to wholesaler-funded fleet, loyalty and affinity programs and whether their economic burden and benefit are reflected consistently in regulated prices.

7. Proposed voluntary interim competitive pricing protocol

Purpose. Without prejudging the ultimate benchmark or margin issues, the Commission could invite willing licensed wholesalers or wholesaler-retailers to use the existing statutory price-change mechanisms on an expedited basis and report the results for a defined period. The test would be voluntary and empirical; it would not establish or presume collusion or market power.

14. Issue a procedural invitation or guidance note describing expedited treatment for a willing licensee seeking to pass through a demonstrated lower acquisition cost.
15. Where a wholesaler proposes a product-specific or otherwise non-uniform decrease, use the section 32 application process and consider temporary pricing under section 33 once the application is filed.
16. Where a wholesaler voluntarily proposes to decrease all products on its pricing schedule by the same amount, recognize the section 33.1 notice mechanism, including its 48-hour filing requirement.
17. Require any approved or filed decrease to be administered consistently with section 29's common and universal wholesale-price rule.
18. For a 60- to 90-day test, collect source point, product specification, actual acquisition cost, freight/handling, litres supplied, effective wholesale price and resulting retail-price information, with confidential treatment where required.
19. Report the consumer result in aggregate. A lower pre-tax wholesale price should move the permitted pre-tax retail range correspondingly; the final pump-price effect will also reflect applicable HST treatment.

Precedent. In Order P.931220-3 (December 20, 1993), the Commission approved on an interim basis a Petro-Canada request for lower dealer tank-truck prices where the applicant cited market conditions and the need to remain competitive, while requiring additional cost-based evidence before final determination.

8. Separate retail-outlet licensing issue

I do not ask the Commission to expand the scope of PMC25-01 to adjudicate outlet licensing.

Appendix B identifies a separate hypothesis concerning whether the section 20 'public interest, convenience and necessity' test can interact with common operational control of multiple nearby outlets. IRAC's licensing jurisprudence treats promotion of competition as a relevant factor and recognizes that no licence confers a perpetual or exclusive right. If the Commission considers this issue outside PMC25-01, I ask only that it be preserved for separate administrative or own-motion consideration under the Commission's existing licensing/investigative authority.

9. Nature and scope of participation

- Participation principally in writing.
- Filing of the attached quantitative appendix and reproducible workbook.
- Responses to Commission questions.
- A concise oral presentation if a hearing is held and the Commission considers it useful.
- No broad discovery request and no request to repeat completed interrogatory steps.

10. Orders / directions requested

20. Extend the intervention deadline under Rules 6 and 7 and grant Friend of the Commission Intervener status under Rule 17, subject to such conditions as the Panel considers appropriate.
21. Alternatively, accept the filing as a public submission and consider the substantive requests on the Commission's own initiative.
22. Accept Appendix A and the PEI Fuel Market Quantitative Model as supporting analytical material.
23. Collect or direct the analysis of the acquisition-cost, logistics, wholesale-pricing, affiliate and promotional information described above, using section 52 and other lawful powers as appropriate.
24. Apply a confidentiality protocol that protects competitively sensitive station-level information while producing aggregated, anonymized and appropriately time-lagged public results.
25. Consider the benchmark, realized-margin, common-price, promotional and minimum-margin issues described in section 6 as part of PMC25-01.
26. Issue procedural guidance or an invitation describing the fastest lawful route by which willing licensees can seek prompt approval or file notice of demonstrably lower prices under sections 32, 33 and 33.1.
27. Treat Appendix B as supplemental background only and, if appropriate, direct any retail-outlet licensing question to a separate process rather than expanding PMC25-01.

11. Supporting materials

- Appendix A - Quantitative benchmark, acquisition-cost and realized-margin analysis.
- PEI Fuel Market Quantitative Model.xlsx - reproducible working model.
- Appendix B - Charlottetown Retail Competition and Entry-Barriers (supplemental background; not relied on to expand the scope of PMC25-01).

Respectfully submitted,



Daniel Mullen

12. Service

Rules 15(2) and 17(2) require an intervention application to be served on each party. This application, Appendix A, Appendix B and the PEI Fuel Market Quantitative Model.xlsx are being served by email on the current Added Party Interveners concurrently with filing with the Commission.

- PEI Petroleum Marketers Association: Walter MacDonald, Executive Director - wmdonald@islandtelecom.com.
- Convenience Industry Council of Canada: David Knight - dknight@convenienceindustry.ca; Mike Hammoud - mhammoud@convenienceindustry.ca.
- Canadian Fuels Association: Carol Montrieul - carolmontrieul@canadianfuels.ca; Helen Bennett - Helenbennett@canadianfuels.ca.
- Irving Oil Limited: Sherry Duncan - sherry.duncan@irvingoil.com; James MacDuff - james.macduff@mcinnescooper.com.

Certificate of Service

I certify that on September 29, 2026, I served by electronic mail the application and supporting materials identified in section 11 on all parties and representatives listed in section 12 above, and filed the same materials by electronic mail with the Island Regulatory and Appeals Commission at petromarginreview@irac.pe.ca.

Method of service: Email

Date of service: September 29, 2026



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Authorities and sources

1. **PMC25-01 docket:** <https://irac.pe.ca/petrol/pmc25-01-commission-petroleum-margin-review/>
2. **PMC25-01 public notice:** <https://irac.pe.ca/wp-content/uploads/Notice-Petroleum-Margin-Review-2026.pdf>
3. **IRAC Rules of Practice and Procedure:** <https://irac.pe.ca/rules/rulesofpracticeandprocedure-hearings.pdf>
4. **PEI Petroleum Products Act (official consolidated PDF):**
<https://www.princeedwardisland.ca/sites/default/files/legislation/P-05-1-Petroleum%20Products%20Act.pdf>
5. **IRAC determination of wholesale and retail margins:** <https://irac.pe.ca/petrol/determination-of-wholesale-and-retail-margins/>
6. **IRAC Order P.931220-3:** <https://irac.pe.ca/wp-content/uploads/P.931220-3.html>
7. **IRAC Order PC19-002 - promotion of competition in outlet licensing:**
<https://irac.pe.ca/Orders/Petroleum/2019/PC19-002.htm>
8. **Competition Bureau - Kalibrate retail-gas data position statement, Sept. 24, 2026:** <https://competition-bureau.canada.ca/en/how-we-foster-competition/education-and-outreach/competition-bureau-statement-regarding-its-agreement-kalibrate-protect-competition-canadian-retail>
9. **IRAC Order PC26-003 - approving intervention requests:** <https://irac.pe.ca/wp-content/uploads/Order-PC26-003.pdf>
10. **PEI Petroleum Marketers Association intervention application, May 28, 2026:**
<https://irac.pe.ca/wp-content/uploads/Exhibit-MA-1-Intervention-Application-from-PEI-Marketers-Association-May-2026.pdf>
11. **Existing intervener applications and representative contacts - PMC25-01 docket:**
<https://irac.pe.ca/petrol/pmc25-01-commission-petroleum-margin-review/>

QUANTITATIVE APPENDIX

Docket PMC25-01 - Commission Petroleum Pricing and Margin Review

Benchmark decomposition, acquisition-cost testing, realized-margin analysis and proposed data production schedule

Prepared by Daniel Mullen
September 26, 2026

Purpose and limitation. This appendix provides reproducible tests of the current Charlottetown rack benchmark and the regulated margin structure. It does not allege unlawful conduct or treat a posted-rack difference as profit. The analysis is designed to identify which components require verification through actual acquisition, transportation, terminal, promotion and affiliate data.

1. Executive summary

Current posted-rack spread. Petro-Canada's September 26, 2026 intra-day posting shows Charlottetown regular gasoline at 163.60 cpl and Halifax E10 regular gasoline at 139.90 cpl, an observed spread of 23.70 cpl before taxes. The corresponding diesel spread is 3.90 cpl and the furnace-oil spread is 0.10 cpl. Premium gasoline also shows a large spread of 19.40 cpl. [1]

The regular-gasoline spread is not a wholesaler margin. It must be decomposed for fuel formulation, ethanol content, actual freight and bridge costs, terminal/storage costs, contract discounts or premiums, Clean Fuel Regulations treatment, rebates and other demonstrated factors.

Signal identified a material evidence gap. Signal reported that only three of eight responding parties supplied relevant acquisition-cost or rack-discount data for gasoline/diesel, covering roughly 25 percent of known wholesale volumes, and concluded that the sample was not representative enough to support an acquisition-cost recommendation. [2]

Commission staff have already raised the same issue. The September 2 interrogatories ask whether the lack of acquisition-cost data is a material gap, whether recommendations should be accepted without it, whether a zero-based margin review is feasible, how promotions exceeding approved margins are funded, and what additional tests should be used to assess rack-price reasonableness. [3]

2. Current Charlottetown-Halifax posted-rack comparison

Petro-Canada states that its terminal rack postings are Canadian cents per litre, excluding taxes, for FOB/pick-up at the listed terminal. The following figures are therefore source-terminal price observations, not delivered PEI acquisition costs. [1]

Product	Charlottetown	Halifax	Spread	Specification / caution
Regular gasoline	163.60	139.90	23.70	CHT REG 87 conventional vs Halifax REG E10
Premium gasoline	174.40	155.00	19.40	SUP 91 vs SUP 91; terminal specifications may still differ
ULS diesel	210.60	206.70	3.90	Useful logistics comparator, not a freight invoice
Furnace oil	172.20	172.10	0.10	Useful logistics comparator, not a freight invoice

Observation. The gasoline-grade spreads are much larger than the diesel and furnace-oil spreads on the same posting. That pattern warrants testing, but it does not establish the cause. In particular, the large premium-gasoline spread means ethanol blending alone cannot be assumed to explain all gasoline-grade differences without additional product and contract data.

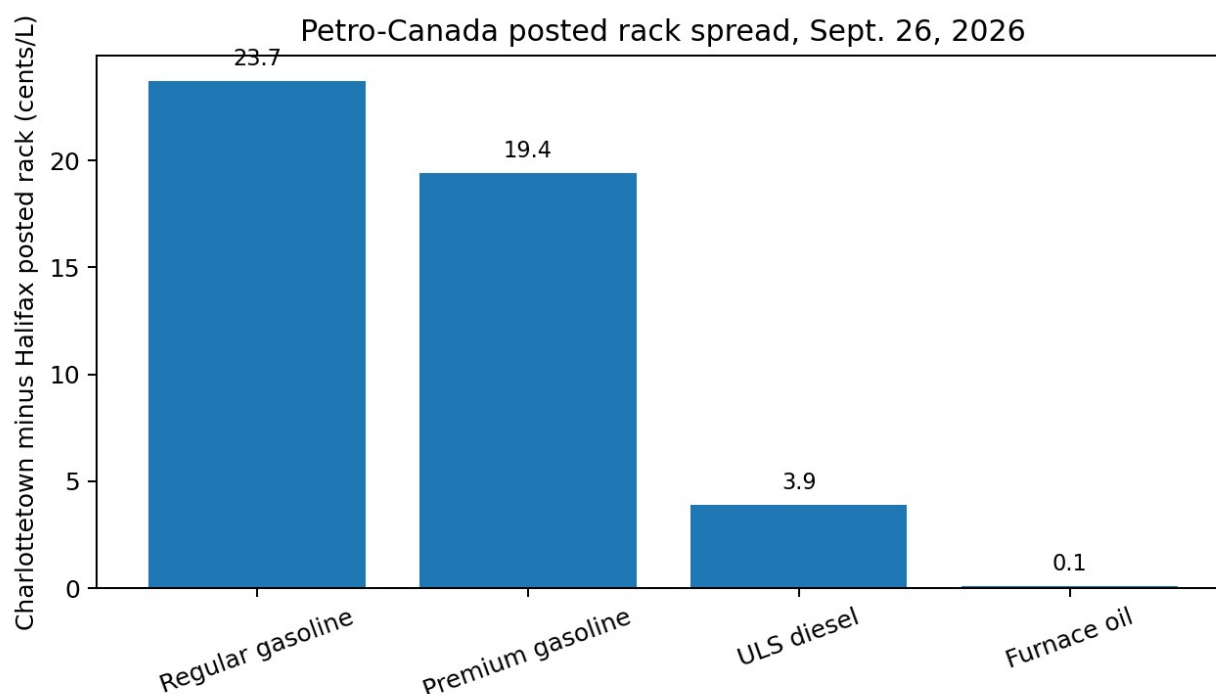


Figure 1. Petro-Canada posted-rack spreads, Charlottetown minus Halifax, September 26, 2026. Source: [1].

3. Cross-check using the September 25 twice-weekly average

Product	Charlottetown	Halifax	Spread
Regular gasoline	168.13	144.27	23.86
ULS diesel	208.60	206.20	2.40

The twice-weekly average shows essentially the same regular-gasoline pattern. It is useful as a robustness check because it is based on a multi-day average rather than a single intra-day posting. [1]

4. Relationship to the current IRAC pricing formula

IRAC's September 25, 2026 price sheet used a period-average regular-gasoline rack of 167.2 cpl, added a 5.0 cpl wholesale margin and a -0.8 cpl forward-averaging adjustment to reach a dealer base price of 171.4 cpl. The self-serve retail margin remained 7.0-8.0 cpl. [4]

Regulatory implication. If the Charlottetown posted rack is materially above actual acquisition costs available to significant wholesalers, a fixed margin added on top of that benchmark may not measure the realized economics of secondary distribution. The relevant test is therefore not merely whether the 5.0 cpl allowance covers operating cost, but also whether the benchmark itself remains a reasonable proxy for actual net acquisition cost.

5. Evidence already in the PMC25-01 record

- Signal states that posted rack is commonly a reference point, with actual Canadian wholesale transactions priced at a negotiated discount or premium to that rack. [2]
- Signal estimated conventional gasoline averaged about 5.5 cpl more than a modeled E10 blend in the last quarter of 2025. [2]
- Signal states that only one primary supplier reported PEI shipping-cost information; the actual values were not publicly disclosed for confidentiality reasons. [2]

- For gasoline/diesel acquisition cost, only three of eight parties provided relevant data, covering roughly 25 percent of known wholesale gasoline/diesel volumes. Signal concluded the data were not a representative cross-section. [2]
- Commission staff subsequently asked whether the lack of acquisition-cost data is a material gap, whether conclusions can be accepted without it, whether a zero-based review is feasible, how promotions exceeding approved margins are structured, and what additional tests should be used to assess rack reasonableness. [3]

6. Sensitivity test: what remains after assumed ethanol and delivery costs?

A sensitivity test helps identify the scale of information required. It does not determine profit. Using the current 23.70 cpl posted-rack spread, the residual below subtracts an assumed conventional-vs-E10 effect and an assumed delivered transport/handling cost.

Transport + handling	0 cpl ethanol	3 cpl ethanol	5.5 cpl ethanol	10 cpl ethanol
0.0	23.7	20.7	18.2	13.7
2.0	21.7	18.7	16.2	11.7
4.0	19.7	16.7	14.2	9.7
6.0	17.7	14.7	12.2	7.7
8.0	15.7	12.7	10.2	5.7
10.0	13.7	10.7	8.2	3.7

Example only. At Signal's 5.5 cpl Q4-2025 ethanol scenario and an assumed 6.0 cpl delivered transport/handling cost, 12.2 cpl remains unexplained by those two assumptions. That 12.2 cpl is not a finding of excess margin. It is the amount that would still require reconciliation against actual invoices, contract discounts, terminal/storage costs, CFR treatment, rebates, inventory costs and affiliate arrangements.

7. Proposed quantitative tests

Benchmark reasonableness test: Charlottetown posted rack minus an appropriately matched Halifax/Dartmouth or Saint John benchmark, after verified formulation, CFR and logistics adjustments.

Acquisition-to-benchmark test: Charlottetown posted rack minus the wholesaler's actual net acquisition cost, including all rack discounts, premiums, volume rebates and year-end adjustments.

Realized wholesale service margin: Effective net wholesale proceeds from the retailer minus actual delivered acquisition cost, net of separately identified pass-through taxes and third-party promotional reimbursements.

Affiliate-parity test: Compare the effective economic fuel cost available to affiliated/company-operated stations with the effective net wholesale price available to independent branded retailers.

Promotion funding test: Trace each fleet-card, CAA, banking, loyalty or affinity discount to the party that actually funds it, and include any reimbursement or credit in the effective realized price.

Minimum-margin pass-through test: Model whether lower acquisition costs could reach consumers if the wholesale and/or retail minimum margin were reduced to a nominal level or zero, subject to the Commission's statutory authority.

8. Service-model alternative for wholesale distribution

A zero-based review could test whether the secondary wholesale function should be compensated as a transparent distribution service rather than by preserving a minimum transactional spread. The concept can be expressed as:

$$\text{Allowed secondary-distribution charge} = \text{verified per-litre operating cost} + \text{reasonable return on capital}$$

The model would require IRAC to distinguish primary-supply economics embedded in the rack or actual acquisition price from the secondary services actually performed in PEI: trucking, local storage, credit, dispatch, dealer support, insurance and other demonstrable distribution functions. The Commission would then be able to compare an evidence-based service charge with the current fixed-margin structure.

9. Proposed section 52 data production schedule

The following categories are designed to permit a reproducible analysis while allowing IRAC to protect commercially sensitive raw information. Section 52 gives the Commission broad authority to require relevant information and inspect licensee records. [5]

Record	Granularity / period	Analytical purpose	Suggested treatment
Actual acquisition invoices and net price	Load/invoice/product, 2024-2026	Tests real transaction cost versus posted rack	Confidential raw; public weighted summaries
Source terminal, supplier, grade and ethanol content	Load/invoice, 2024-2026	Ensures apples-to-apples comparison	Confidential raw; public aggregate
Rack basis and discount/premium	Contract + monthly realization	Quantifies contracted acquisition advantage	Confidential contracts; public ranges
Truck freight, bridge, driver, rolling-stock and handling costs	Load/route/month	Measures mainland delivered cost	Confidential raw; public weighted cpl
Marine freight, terminal handling and storage	Cargo/product/month	Measures Island logistics cost	Confidential raw; public weighted cpl
Wholesale selling price and all credits/rebates	Retailer/invoice/month	Calculates effective net wholesale price	Anonymized retailer IDs publicly
Affiliate/company-operated transfer or accounting cost	Station/month	Tests independent-vs-affiliate parity	Confidential raw; public aggregate
Fleet/CAA/bank/loyalty/promotional reimbursements	Program/station/month	Measures who funds discounts	Confidential contracts; public aggregate cpl
Volumes by station and product	Station/month	Weights realized margins and concentration	Anonymized station IDs if needed
Consignment and margin-sharing agreements	Agreement/station	Tests whether current margin framework matches business model	Confidential agreement; public structural summary
Terminal throughput, storage and inactive-tank specifications	Terminal/product	Tests terminal economics and ethanol-storage feasibility	Engineering confidentiality where justified

10. Requested analytical outputs from the confidential record

- Monthly volume-weighted actual acquisition cost by product and source region, expressed both as cpl and as a discount/premium to the applicable posted rack.
- Monthly volume-weighted delivered cost to PEI, separating acquisition, freight/bridge, terminal/storage and other verified logistics.
- Monthly effective net wholesale selling price to independent retailers after all credits and promotional reimbursements.
- Monthly effective economic supply cost for affiliated/company-operated stations on a comparable basis.

- Volume-weighted realized secondary-distribution spread and operating cost, with confidential company-level detail aggregated for the public record.
- A benchmark-reasonableness series comparing Charlottetown with matched Halifax/Dartmouth and Saint John products after verified adjustments.
- A pass-through simulation showing how alternative minimum-margin settings would affect the ability of lower acquisition costs to reach consumers.

11. Conclusion

The present public record establishes a large current posted-rack difference for gasoline, a much smaller contemporaneous difference for diesel and furnace oil, incomplete acquisition-cost evidence, and direct questions from Commission staff about whether the existing record is sufficient. The appropriate next step is not to infer misconduct from the spread. It is to compel and normalize the transaction-level data necessary to determine how much of the spread is attributable to legitimate formulation and logistics costs, how much reflects actual acquisition discounts or other commercial arrangements, and whether the current fixed-margin framework remains a reasonable regulatory model.

Sources

[1] Petro-Canada terminal rack prices, including September 25 twice-weekly average and September 26 intra-day posting: <https://www.petro-canada.ca/en/business/corporate-incentive-program/home/business/rack-prices>

[2] Signal Energy Consulting, Expert Report - Petroleum Products Benchmark, Pricing and Margin Review (2025), Exhibit C-1: https://irac.pe.ca/wp-content/uploads/Exhibit-C-1-IRAC_2025_Margin_Review_Report_Final-April-24-2026.pdf

[3] IRAC Commission Staff Interrogatories to Signal Energy Consulting, September 2, 2026, Exhibit C-6: <https://irac.pe.ca/wp-content/uploads/Exhibit-C-6-Interrogatories-from-Commission-Staff-to-Expert-September-2-2026.pdf>

[4] IRAC Current Petroleum Prices and Detailed Petroleum Breakdowns, September 25, 2026: <https://irac.pe.ca/petrol/current-petroleum-prices/>

[5] Prince Edward Island Petroleum Products Act, ss. 29-31 and 52: <https://www.princeedwardisland.ca/sites/default/files/legislation/P-05-1-Petroleum%20Products%20Act.pdf>

[6] IRAC - Determination of Wholesale and Retail Margins: <https://irac.pe.ca/petrol/determination-of-wholesale-and-retail-margins/>

APPENDIX B

Charlottetown Retail Competition and Entry-Barriers

Preliminary field observations and public-source verification - September 26, 2026

1. Purpose and limits

This appendix identifies a competition issue for investigation: whether visible fuel-brand diversity in Charlottetown overstates the number of independently controlled retail competitors, and whether P.E.I.'s outlet-specific petroleum licensing regime can amplify that concentration by making the existence of incumbent sites relevant to the regulatory assessment of need for new entry.

The appendix does not allege that any operator is retaining a site for an anti-competitive purpose. The field observations establish locations and apparent operating relationships that warrant production of ownership, throughput and licensing data. Intent and competitive effect should be determined from evidence.

2. Regulatory entry mechanism

Section 20 of the Petroleum Products Act requires IRAC to consider public interest, convenience and necessity when issuing an outlet licence, including demand, location and traffic flows. IRAC has also identified promotion of competition as a relevant factor. Section 18 provides that no licence confers a perpetual or exclusive right.

This creates a potentially important measurement question. If several nearby licensed outlets are controlled by the same or affiliated retail system, the number of forecourts may overstate the number of independent competitive decision-makers. If low-volume sites are nevertheless counted as existing service in a future "need" analysis, they may also affect the ease with which a new entrant can obtain a licence.

3. Preliminary operator / brand observations

Site	Current public retail listing	Fuel branding evidence	Historical / additional context	Status for analysis
8 Riverside Drive	Circle K	Applicant field map: Irving; Circle K lists fuel sales	IRAC/City materials identify Irving service station at Riverside Drive	Common convenience operator + Irving branding
32 Exhibition Drive	Circle K	Irving official location listing; applicant field map shows Irving / Wilsons labels	IRAC historical list identified Wilsons Fuels at this address	Brand/history changed; operator concentration question
76 St. Peters Road	Circle K	Irving official location listing	IRAC historical list identified Irving	Circle K + Irving relationship
154 St. Peters Road	Circle K	Applicant field map shows Irving branding	IRAC historical list identified Ultramar	Operator continuity despite brand change warrants supply-chain mapping

8 Brackley Point Road	Circle K; Esso calls site "ESSO COUCHE-TARD 2345"	Esso	IRAC historical list identified Esso	Direct evidence that Esso canopy can sit within Couche-Tard retail operation
124 Capital Drive	Circle K; Esso calls site "ESSO COUCHE-TARD 2344"	Esso	Current official Esso/Circle K listings	Direct evidence of brand / operator distinction

Interpretive caution: The table describes current public listings and field observations. It does not establish beneficial ownership, petroleum title, wholesale supply terms, or common pricing control. Those matters require production of records.

4. Testable entry-barrier hypothesis

- IRAC should not equate the number of licensed outlets or canopy brands with the number of independent competitive decision-makers.
- The Commission and Bureau should identify whether any local outlets are materially subscale relative to the Charlottetown market and, if so, whether they are economically viable on a stand-alone basis or supported by a larger affiliated network.
- For any materially subscale site, the analysis should test whether its continued operation materially affects the section 20 licensing case for a potential new entrant in the same local market.
- The investigation should review whether affiliated incumbents have objected to, intervened in, or otherwise responded to proposed new outlets, and whether station-level control changed following transactions or divestitures.
- Competitive concentration should be calculated by independent operator / pricing decision-maker and by wholesaler or upstream supplier, not merely by visible fuel brand.

5. Requested outlet-level data

- beneficial owner, property owner, lessee/operator and convenience-store banner;
- fuel brand, wholesaler, upstream supplier and terminal/source arrangements;
- annual and monthly litres by grade for at least five years, with confidential treatment if necessary;
- hours of operation, pump positions, tank capacity, site constraints and major capital investments;
- dealer, lease, supply, rebate and promotional relationships;
- acquisition and disposition dates and transaction counterparties;
- all IRAC licence applications, transfers, objections and interventions involving the site or nearby proposed competitors;
- any internal or external market analyses identifying the site as strategic, defensive, marginal, subscale or otherwise relevant to network coverage.

6. Field maps

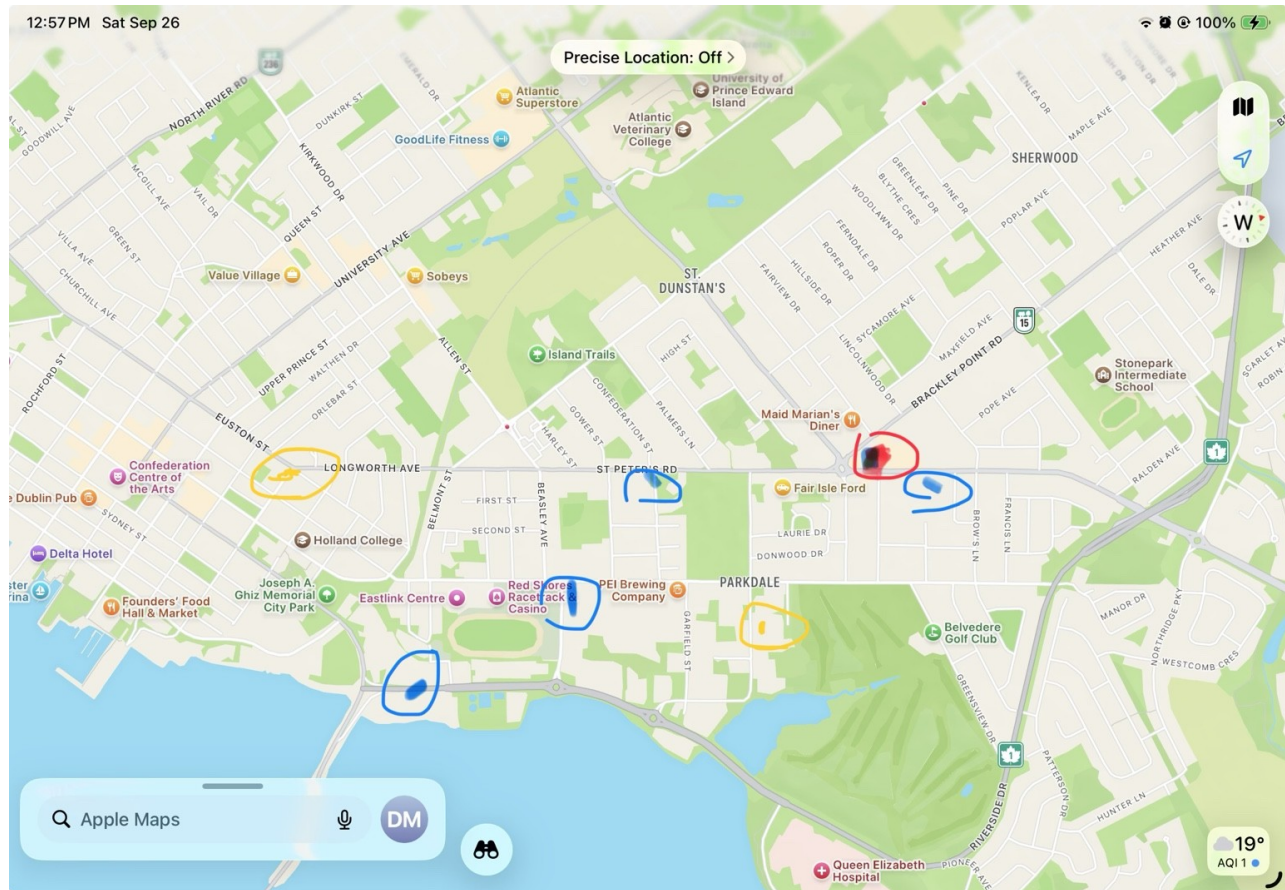


Figure 1. Applicant-annotated overview of the selected Charlottetown market area. Red = Esso; blue = Irving; yellow = Needs/Empire-Sobeys. The annotations are field notes, not an ownership determination.

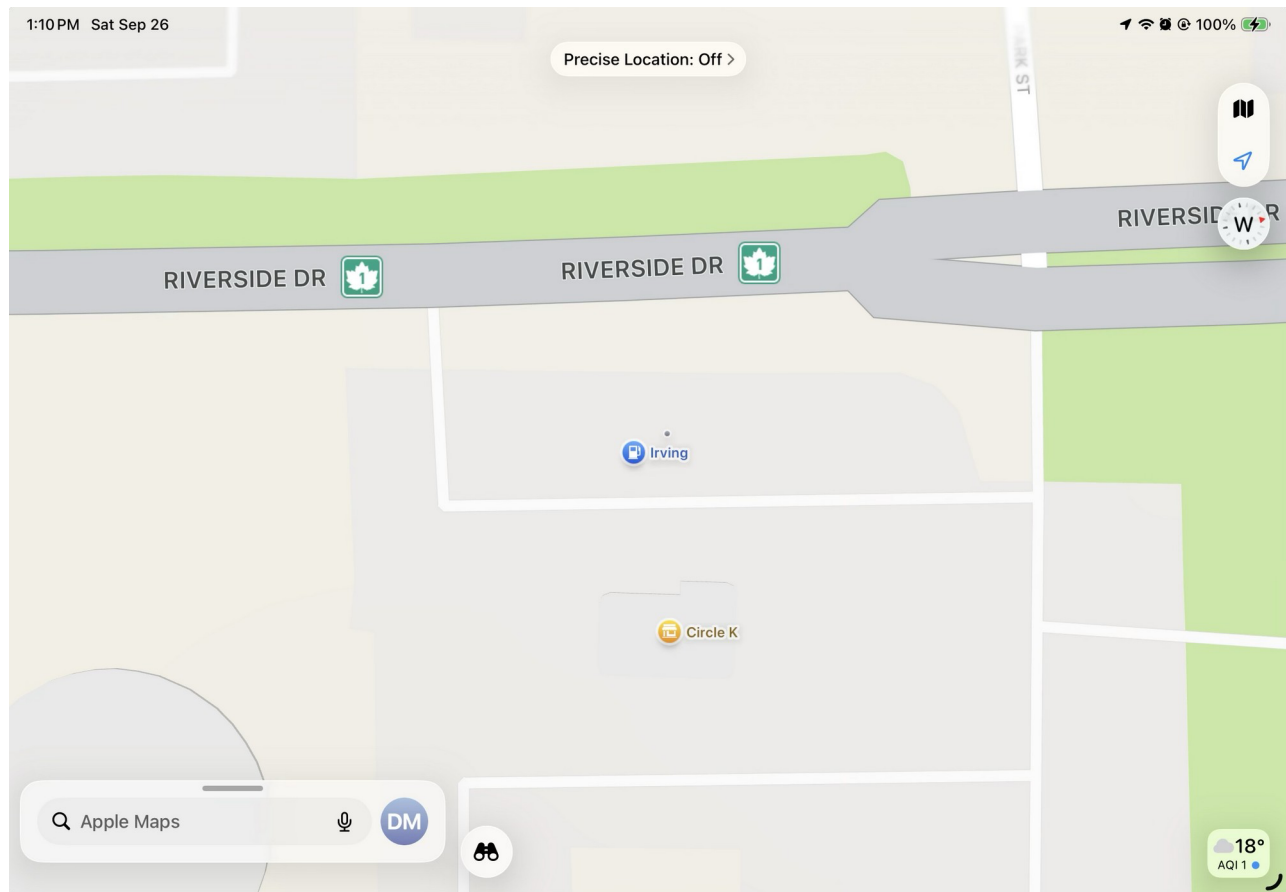


Figure 2. 8 Riverside Drive. Apple Maps displays Irving and Circle K at the same site.

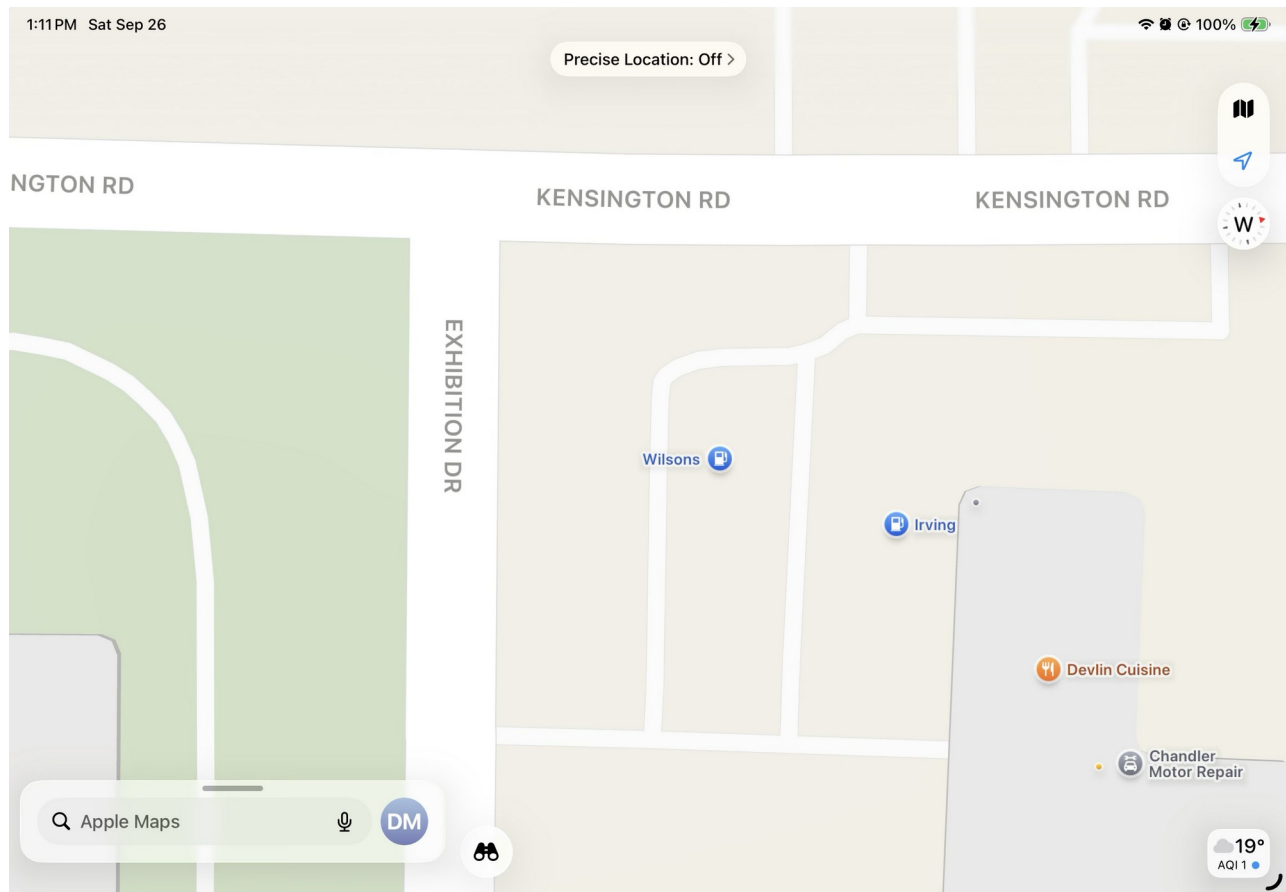


Figure 3. 32 Exhibition Drive / Kensington Road area. Apple Maps displays Wilsons and Irving; Circle K currently lists 32 Exhibition Drive as a Circle K location and Irving currently lists the same address as an Irving location.

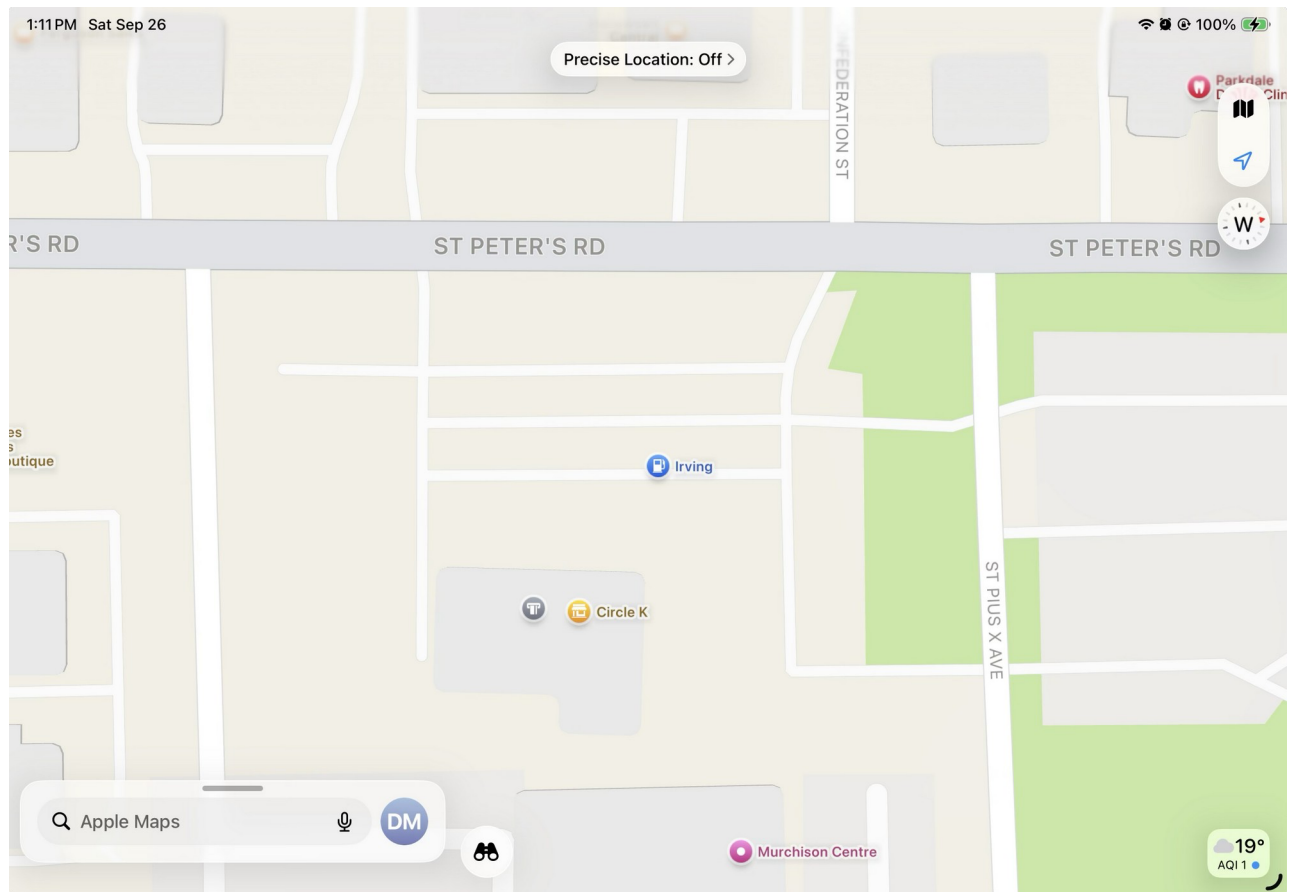


Figure 4. 76 St. Peters Road near St. Pius X Avenue. Apple Maps displays Irving and Circle K at the same site.

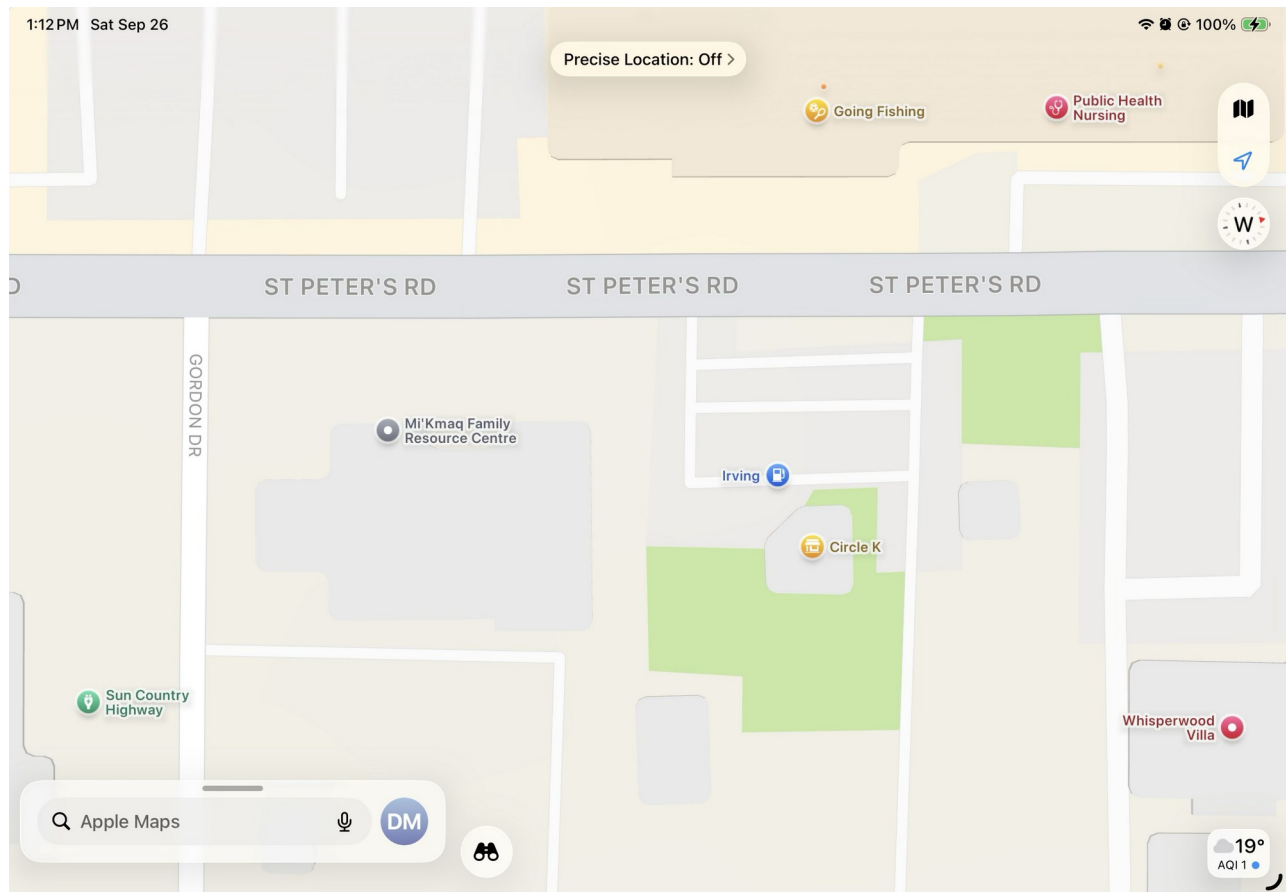


Figure 5. 154 St. Peters Road area. Apple Maps displays Irving and Circle K; Circle K currently lists 154 St. Peters Road as a Circle K location.

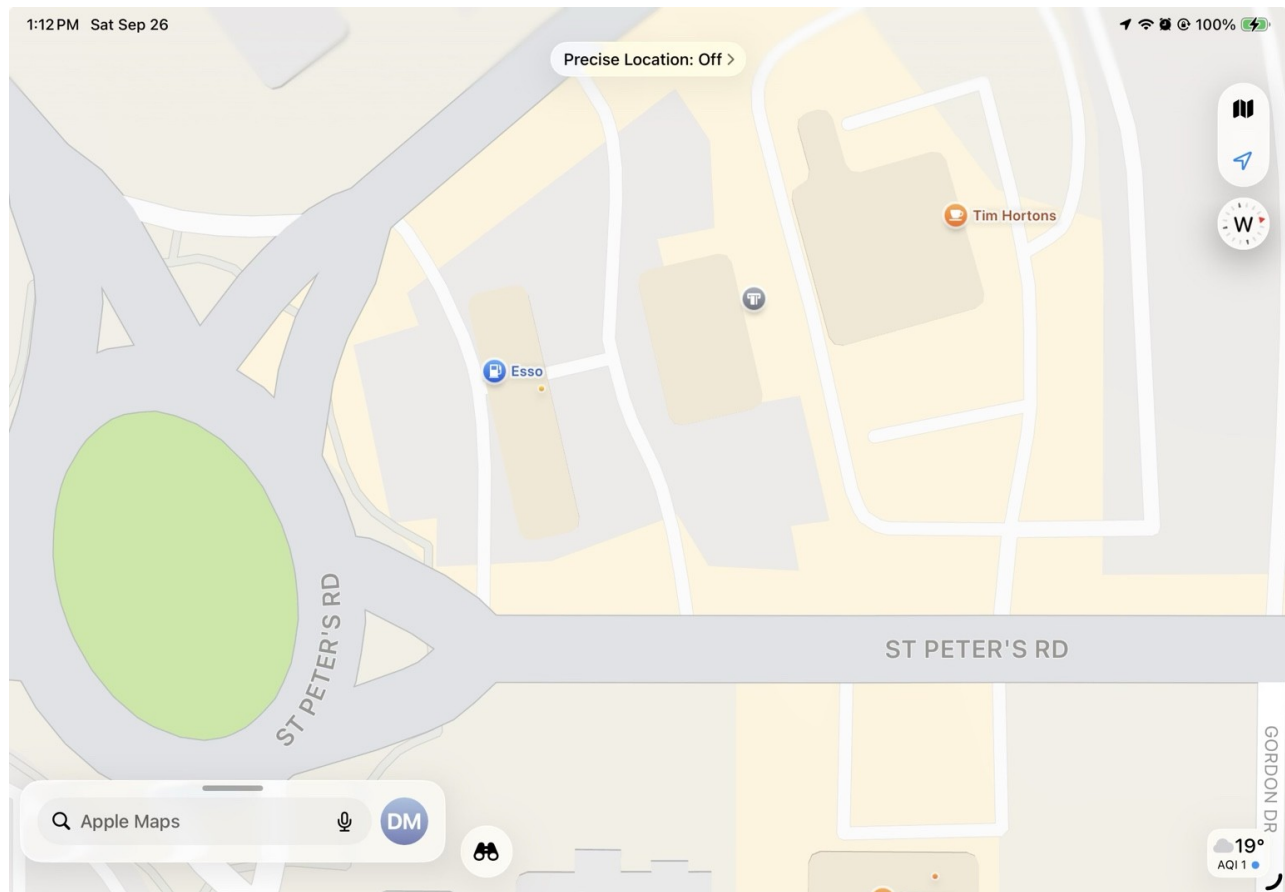


Figure 6. 8 Brackley Point Road. Applicant field map displays Esso; Circle K lists the address as a Circle K site, and Esso identifies it as ESSO COUCHE-TARD 2345.

7. Public sources

1. PEI Petroleum Products Act, ss. 18 and 20: <https://irac.pe.ca/legislation/PetProductsAct.asp>
2. IRAC Order PC10-01 (promotion of competition as a licensing factor): <https://irac.pe.ca/wp-content/uploads/PC10-01.htm>
3. IRAC Order PC26-001 (current statement of s. 20 framework): <https://irac.pe.ca/wp-content/uploads/Order-PC26-001.pdf>
4. Circle K current store list and individual Charlottetown listings: <https://www.circlek.com/list-canada-stores>
5. Irving Oil, 32 Exhibition Drive: <https://www.irvingoil.com/location/irving-oil-33421>
6. Irving Oil, 76 St. Peters Road: <https://www.irvingoil.com/en-CA/location/irving-oil-24496>
7. Esso, 8 Brackley Point Road - ESSO COUCHE-TARD 2345: <https://www.esso.ca/en-ca/find-station/esso-charlottetown-pe-esso-200303292>
8. Esso, 124 Capital Drive - ESSO COUCHE-TARD 2344: <https://www.esso.ca/en-ca/find-station/200324321/charlottetown-pe-esso-200303902>
9. IRAC historical Charlottetown/Cornwall retail outlet list: <https://irac.pe.ca/infocentre/documents/Petrol-PD911-ParklandFuel-application.pdf>

10. Competition Bureau, Anti-competitive Conduct and Agreements - discussion of regulatory barriers to entry: <https://competition-bureau.canada.ca/en/how-we-foster-competition/consultations/anti-competitive-conduct-and-agreements>

11. Competition Bureau, Couche-Tard / Imperial retail gasoline review - local competition and entry barriers: <https://competition-bureau.canada.ca/en/couche-tards-proposed-acquisition-retail-gasoline-sites-imperial-oil>