2025-2026 Annual Report

PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
ÎLE-DU-PRINCE-ÉDOUARD

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PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
ÎLE-DU-PRINCE-ÉDOUARD

Hon. Robin Croucher
Minister of Education and Early Years
P.O. Box 2000
Charlottetown, PE C1A 7N8

Dear Minister Croucher:

I am pleased to submit the 2025-2026 Annual Report for the Prince Edward Island Regulatory and Appeals Commission. The report presents an overview of the Commission's activities and the audited financial statements for the fiscal year ending March 31, 2026.

Respectfully submitted,

Pamela Williams, K.C.
Chair and Chief Executive Officer

Comments From the Chair

I am pleased to present the Annual Report of the Prince Edward Island Regulatory and Appeals Commission for the period April 1, 2025, to March 31, 2026. This year, the Commission processed a total of 1,228 files, resulting in a total of 1,020 issued decisions, orders, approvals, and recommendations.

The end of fiscal 2025-26 marked one year since I joined the Commission as Chair and CEO. The last year has certainly been a busy one; in addition to a heavy docket, the Commission was adjusting to a new panel of Commissioners, internal staff changes, and additions to the Commission's mandate under the *Financial and Consumer Services Statutes Amendment Act*. The Commission's website details the various work of all of our divisions, including docket filings for electrical and planning hearings.

Notably, the electricity file continued to grow in 2025-26, with several sizeable applications ongoing or submitted by Maritime Electric. These applications range in complexity, with many including a high degree of technical detail. In 2025-26, the Commission issued eight Orders related to electricity applications. The Commission continues to process the latest Energy Cost Adjustment Mechanism application, as well as the On-Island Capacity for the Security of Supply project. Both files are under review and several interrogatories have been issued in the case of the on-island capacity application.

With the assistance of the Petroleum Division, the Commission issued 52 regularly scheduled pricing updates and eight unscheduled adjustments (interruptions). The increase in interruptions was largely due to market volatility introduced by US tariffs, which continued to escalate towards year-end, and geopolitical conflict, with tensions mounting between the US and Iran. As a result, the Commission moved to twice-weekly price adjustments at the end of March in order to smooth out the impacts of price volatility for customers and retailers and wholesalers. The Commission has continued this practice for the time-being while market conditions continue to evolve quickly.

In Fall 2025, the Commission began a petroleum pricing and margin review. The review includes the use of the Charlottetown rack price as the benchmark to set product prices, wholesale and retail margins, propane pricing, IRAC's interruption policy, Clean Fuel Regulations and compliance costs, and the product availability in PEI. The Commission has engaged independent expert, Signal Energy Consulting, to assist in the review, which is ongoing at this time.

In 2025-26, the Planning Division received 26 new planning appeals, and the Commission issued 13 Orders. Two appeals were resolved by mediation, one appeal was abandoned, and 13 appeals were withdrawn by the appellant. Altogether, 29 planning dockets were closed during the fiscal year. There were 30 applications carried over from the 2024-25 fiscal year. At the end of the 2025-26 fiscal year, there were 27 open planning files in various stages.

The Commission was also busy with rental appeals in the 2025-26 fiscal year; 64 new appeals were filed with the Commission and 58 rental appeal Orders were issued. This is a slight decrease from the previous fiscal year.

In the Land division, the Commission processed a total of 575 applications under the Lands Protection Act in the 2025-26 fiscal year. This is an increase in applications compared to the two previous fiscal years. Additionally, the Commission received and processed 156 land holding declaration statements for the year ending December 31, 2025.

This is a small glimpse of the work that the Commission has been doing throughout 2025-26. All work related to the Commission's responsibilities during the last fiscal year are detailed throughout the rest of this report.

While the annual report provides an opportunity to share the work that the Commission has undertaken in the past fiscal year, I'd also like to take an opportunity to talk about what we're planning for the Commission over the next year as well.

The 2025-26 year was one of change and transition for the Commission, but with that, has come a lot of opportunity. In addition to the Commission's regular work, we have been busy looking at our internal

procedures and operations to identify opportunities to improve our structure and practices and, in turn, improve our accountability to the public.

The Commission has been hard at work developing pilot processes and service standards across Divisions. The implementation of these standards will ensure that anyone who engages with the Commission will have a clear idea of what to expect in terms of process, timelines, and procedures. Standards development began during the reported fiscal year and will be piloted in divisions in the current fiscal year, with the goal of full implementation in the 2027-28 fiscal year.

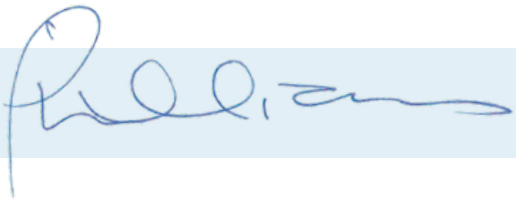
In the 2025-26 fiscal year, the Commission introduced two new initiatives to assist in our communication efforts with the goals of increasing public knowledge and understanding of our role and improving access to information. A Commission newsletter was developed to share more about our work on a regular basis, including information about ongoing files, upcoming hearings, opportunities to submit public feedback, and highlights on specific applications and areas of regulation. The first issue, released in early March 2026, spotlighted a new application from Maritime Electric and how petroleum is regulated in PEI. At the time of this report's publication, the Commission has released a second issue, with a third planned for the Fall. In our latest issue, we asked for feedback on newsletter topics that the public wishes to see in future editions. The reception to the newsletter has been positive and we look forward to publishing more issues to inform the public about the work that the Commission is doing on a more frequent basis.

Another initiative has been the introduction of plain language summaries for large decisions with broad public impact. Where decisions can sometimes be lengthy or include a lot of technical detail, the Commission is working to provide summaries that may be helpful in quickly understanding a complex decision and its impacts. The Commission's decision on the DP Murphy Inc. application for a new retail petroleum outlet in Borden-Carleton was the first to have a plain language summary to accompany it. Since then, the Commission has also issued a plain language summary for an electrical decision related to Maritime Electric's Hurricane Fiona application.

Similar to our plain language summaries, the Commission issued its first plain language FAQs related to a specific application during last fiscal year. Developed for Maritime Electric's Energy Cost Adjustment Mechanism application, the FAQs explain the application and possible impacts to customers in simplified language for a variety of audiences. The Commission will continue to review and update FAQs so that they are current and written in a more audience-friendly manner.

Looking forward, the Commission has been working on an updated strategic plan and work plan to outline goals and priorities. The strategic plan will outline broad priorities that the Commission will be focused on for the next few years. The work plan will include action items and goals that the Commission will focus on for the next fiscal year, which will help advance the priorities outlined in the strategic plan. We are anticipating the release of those plans in the near future.

In closing, I want to thank the Commissioners and staff for their hard work over the past year. Their expertise and commitment to good work is evident and has greatly assisted in a smooth transition into my role at the Commission. I look forward to the work we will do over the next year to fulfill our important mandate with professionalism and integrity.



Pamela J. Williams, K.C.
Chair and Chief Executive Officer

Commentaries Du Président

J'ai le plaisir de présenter le rapport annuel de la Commission de réglementation et d'appels de l'Île pour la période du 1er avril 2025 au 31 mars 2026. Cette année, la Commission a rendu 1020 décisions, ordonnances, approbations et recommandations en traitant 1228 dossiers.

La fin de l'exercice financier 2025-2026 a marqué ma première année à titre de présidente et directrice générale de la Commission. La dernière année a certainement été bien remplie. En plus d'un nombre important de dossiers à traiter, la Commission a dû s'adapter à l'arrivée d'un nouveau groupe de commissaires, à des changements au sein de son personnel ainsi qu'à l'élargissement de son mandat dans le cadre la Financial and Consumer Services Statutes Amendment Act (loi modifiant les lois sur les services financiers et aux consommateurs). Le site Web de la Commission présente en détail les activités de toutes nos divisions, y compris les documents déposés dans le cadre des dossiers relatifs à des audiences en matière de planification et d'électricité.

Il convient de souligner que le dossier de l'électricité a continué de prendre de l'ampleur en 2025-2026, plusieurs demandes importantes déposées par Maritime Electric étant en cours d'examen ou ayant été soumises au cours de l'exercice. La complexité de ces demandes varie, bon nombre d'entre elles comportant un niveau élevé de détails techniques. En 2025-2026, la Commission a rendu huit ordonnances liées à des demandes dans le secteur de l'électricité. La Commission poursuit également l'examen de la plus récente demande relative au mécanisme d'ajustement du coût de l'énergie, ainsi que du projet de capacité de production à l'Île visant à assurer la sécurité de l'approvisionnement. Les deux dossiers sont actuellement à l'étude et, dans le cadre de la demande concernant la capacité de production à l'Île, plusieurs demandes de renseignements ont été émises.

Avec l'aide de la Division du pétrole, la Commission a effectué 52 mises à jour sur les prix du pétrole et huit ajustements imprévus (interruptions). L'augmentation du nombre d'interruptions était principalement attribuable à la volatilité des marchés causée par les droits de douane imposés par les États-Unis, qui a continué de s'intensifier vers la fin de l'exercice, ainsi qu'aux conflits géopolitiques, notamment à l'escalade des tensions entre les États-Unis et l'Iran. Par conséquent, la Commission est passée à une révision des prix deux fois par semaine à la fin mars afin d'atténuer les répercussions de la volatilité des prix pour les consommatrices et consommateurs, les détaillants et les grossistes. La Commission a maintenu cette pratique pour le moment, les conditions du marché continuant d'évoluer rapidement.

À l'automne 2025, la Commission a entrepris un examen de la tarification et des marges dans le secteur pétrolier. Cet examen porte notamment sur l'utilisation du prix de référence au poste de chargement de Charlottetown pour établir les prix des produits, les marges de gros et de détail, la tarification du propane, la politique d'interruption de la Commission, la réglementation sur les combustibles propres et les coûts de conformité qui y sont associés, ainsi que la disponibilité des produits pétroliers à l'Île-du-Prince-Édouard. La Commission a retenu les services de l'expert-conseil indépendant Signal Energy Consulting pour l'appuyer dans cet examen, qui est toujours en cours.

En 2025-2026, la Division de la planification a reçu 26 nouveaux appels en matière de planification, et la Commission a rendu 13 ordonnances. Deux appels ont été réglés par médiation, un appel a été abandonné et 13 appels ont été retirés par les appelants. Au total, 29 dossiers de planification ont été fermés au cours de l'exercice financier. Par ailleurs, 30 demandes avaient été reportées de l'exercice 2024-2025. À la fin de l'exercice 2025-2026, la Commission comptait 27 dossiers de planification ouverts, à diverses étapes de leur traitement.

La Commission a également été très occupée pour ce qui est des appels en matière de location au cours de l'exercice 2025-2026. Soixante-quatre nouveaux appels ont été déposés auprès de la Commission et 58 ordonnances relatives à des appels en matière de location ont été rendues. Il s'agit d'une légère diminution par rapport à l'exercice précédent.

La Division des terres de la Commission a traité 575 demandes dans le cadre de la Lands Protection Act la (loi sur la protection des terres) au cours de l'exercice 2025-2026. Il s'agit d'une hausse du nombre de demandes par rapport aux deux exercices financiers précédents. De plus, la Commission a reçu et traité 156 déclarations de propriété foncière pour l'année se terminant le 31 décembre 2025.

Ceci ne représente qu'un aperçu des travaux réalisés par la Commission au cours de l'exercice 2025-2026. L'ensemble des activités menées dans le cadre de ses responsabilités au cours du dernier exercice financier est présenté en détail dans les autres sections du présent rapport.

Bien que le rapport annuel offre l'occasion de rendre compte des travaux accomplis par la Commission au cours du dernier exercice, j'aimerais également profiter de cette occasion pour présenter ce que nous envisageons pour la Commission au cours de la prochaine année.

L'exercice 2025-2026 a été une année de changement et de transition pour la Commission, mais cette période a également apporté de nombreuses opportunités. En plus de ses activités courantes, la Commission a consacré beaucoup d'efforts à l'examen de ses procédures et de ses activités internes afin de cerner des possibilités d'améliorer sa structure et ses pratiques et, par conséquent, de renforcer sa reddition de comptes envers le public.

La Commission a travaillé activement à l'élaboration de processus pilotes et de normes de service dans l'ensemble de ses divisions. La mise en œuvre de ces normes permettra à toute personne qui interagit avec la Commission de savoir clairement à quoi s'attendre en ce qui concerne les processus, les délais et les procédures. L'élaboration de ces normes a débuté au cours de l'exercice visé par le présent rapport et celles-ci seront mises à l'essai dans les différentes divisions au cours de l'exercice actuel, en vue d'une mise en œuvre complète à l'exercice 2027-2028.

Au cours de l'exercice 2025-2026, la Commission a mis en place deux nouvelles initiatives visant à appuyer ses efforts de communication dans le but d'accroître la connaissance et la compréhension de son rôle par le public, tout en améliorant l'accès à l'information. La Commission a notamment créé un bulletin d'information afin de communiquer plus régulièrement des renseignements sur ses activités, notamment les dossiers en cours, les audiences à venir, les occasions de présenter des commentaires pour le public ainsi que des faits saillants concernant certaines demandes et certains domaines de réglementation. Le premier numéro, publié au début de mars 2026, mettait en lumière une nouvelle demande déposée par Maritime Electric ainsi que le fonctionnement de la réglementation du secteur pétrolier à l'Île-du-Prince-Édouard. Au moment de la publication du présent rapport, la Commission avait déjà publié un deuxième numéro et prévoyait en publier un troisième à l'automne. Dans notre plus récent numéro, nous avons invité le public à nous faire part des sujets qu'il souhaiterait voir être abordés dans les prochaines éditions du bulletin. L'accueil réservé à cette initiative a été positif et nous avons hâte de poursuivre la publication de nouveaux numéros afin d'informer la population, de façon plus fréquente, des travaux réalisés par la Commission.

Une autre initiative a été l'introduction de résumés en langage clair pour les décisions importantes ayant une incidence importante sur le public. Comme les décisions peuvent parfois être longues ou comporter beaucoup de détails techniques, la Commission s'efforce de fournir des résumés qui facilitent la compréhension rapide de décisions complexes et de leurs répercussions. La décision de la Commission concernant la demande présentée par DP Murphy Inc. visant l'établissement d'un nouveau point de vente au détail de produits pétroliers à Borden-Carleton a été la première à être accompagnée d'un résumé en langage clair. Depuis, la Commission a également publié un résumé en langage clair d'une décision dans le domaine de l'électricité portant sur la demande de Maritime Electric liée à l'ouragan Fiona.

À l'instar de ses résumés en langage clair, la Commission a publié, au cours du dernier exercice financier, sa première foire aux questions rédigée en langage clair concernant une demande donnée. Préparée dans le cadre de la demande de Maritime Electric concernant le mécanisme d'ajustement du coût de l'énergie, cette foire aux questions explique la demande et ses répercussions possibles sur les clients dans un langage simplifié adapté à divers publics. La Commission continuera d'examiner et de mettre à jour les foires aux questions afin de veiller à ce qu'elles demeurent exactes et qu'elles soient rédigées dans un style plus accessible.

Pour l'avenir, la Commission a travaillé à l'élaboration d'un plan stratégique et d'un plan de travail mis à jour afin de définir ses objectifs et ses priorités. Le plan stratégique établira les grandes priorités sur lesquelles la Commission entend concentrer ses efforts au cours des prochaines années. Quant au plan de travail, il présentera les mesures à prendre et les objectifs à atteindre au cours duprochain exercice financier afin de faire progresser les priorités définies dans le plan stratégique. Nous prévoyons publier ces plans dans un avenir rapproché.

Pour conclure, je tiens à remercier les commissaires et les membres du personnel pour leur travail acharné au cours de la dernière année. Leur expertise et leur engagement envers l'excellence sont manifestes et ont grandement aidé ma transition dans mon poste au sein de la Commission. Je me réjouis à l'idée du travail que nous accomplirons au cours de la prochaine année afin de remplir notre important mandat avec professionnalisme et intégrité.

Pamela J. Williams, c.r.
Présidente et directrice générale

Overview

The Prince Edward Island Regulatory and Appeals Commission was established in 1991 as an independent quasi-judicial tribunal with appellate, regulatory, and administrative responsibilities defined in the *Island Regulatory and Appeals Commission Act* and in a number of provincial statutes.

The Commission operates at arm's length from government, free of influence from any source. As the Commission has appellate oversight of decisions made by Government and sets the prices charged to consumers by utilities, upholding the Commission's independence is fundamental to ensuring public confidence in its objectivity, expertise, and impartiality in decision making.

The Commission reports to the Legislative Assembly of Prince Edward Island through the Minister of Education and Early Years.

Commissioners and Staff

In 2025-26, the Commission had a Chair/CEO, Vice-Chair, one full-time Commissioner, three part-time Commissioners, and a staff of 22 people, including the staff of the Rental Office. The Commission's staff are split into three divisions: Land, Appeals, and Regulatory.

The Commission Chair and Chief Executive Officer is Pamela Williams, K.C., the Commission Vice-Chair is Kerri Carpenter, and Gordon MacFarlane is a full-time Commissioner. Part-time Commissioners are Terry McKenna, Cynthia McCardle, and Murray MacPherson.

Mission | To provide unbiased, well-reasoned, clear and timely decisions in all matters brought before the Commission.

Vision | To be the trusted authority for stakeholders and the public as an appellate body, regulator and administrator in relation to its mandate.

Legislative Roles and Responsibilities

The Commission operates as an independent quasi-judicial tribunal under the authority of the *Island Regulatory and Appeals Commission Act*.

The Commission's appellate responsibilities are defined in the following Acts:

Archaeology Act
Business Practices Act
Climate Leadership Act
Collection Agencies Act
Consumer Protection Act
Consumer Reporting Act
Direct Sellers Act
Emergency 911 Act
Environmental Protection Act
Heritage Places Protection Act
Insurance Act
Island Regulatory and Appeals Commission Act
Lands Protection Act
Payday Loans Act
Planning Act
Real Estate Trading Act
Real Property Assessment Act
Real Property Tax Act
Renewable Energy Act
Residential Tenancy Act
Revenue Administration Act
Roads Act
Securities Act
Trust and Fiduciary Companies Act
Unsightly Premises Act
Water Act

The Commission's regulatory responsibilities fall under the following Acts:

Electric Power Act
Environmental Protection Act
Insurance Act
Petroleum Products Act
Water and Sewerage Act

The Commission has administrative responsibilities under the following Acts:

Municipal Government Act
Prince Edward Island Lands Protection Act

Financial Highlights

Fiscal Year 2025-26

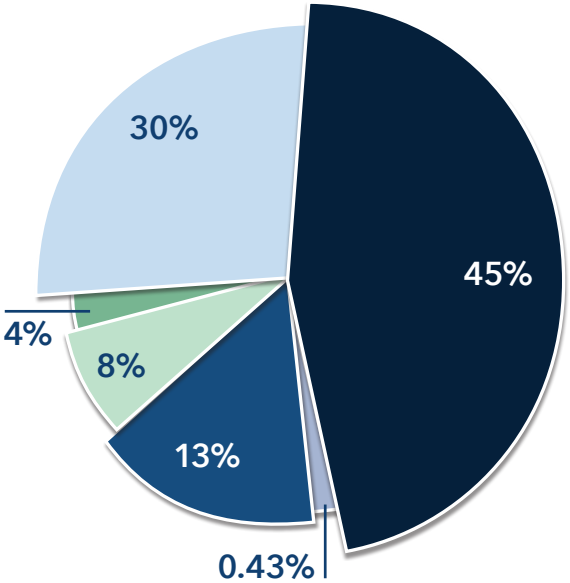
The Commission is funded through annual assessments, levies, application, and license fees on the utilities, industries and parties who are subject to supervision, regulation, or control of the Commission, including the province of Prince Edward Island.

The Commission's revenue sources include non-resident fees collected through the *Lands Protection Act*; license fees for retail and wholesale petroleum outlets; assessment fees on automobile insurers; water & sewer utilities, Maritime Electric Company Ltd., Summerside Electric, and the province of Prince Edward Island for the costs of the operation of the Office of the Director of Residential Rental Property, planning appeals, property tax appeals, environmental appeals, and rental appeals.

In 2025-26, total revenue amounted to $5,682,324, an increase of $829,085 from the previous year's revenues. The assessment on the Province was $2,584,500 or 45% of the Commissions total revenue.

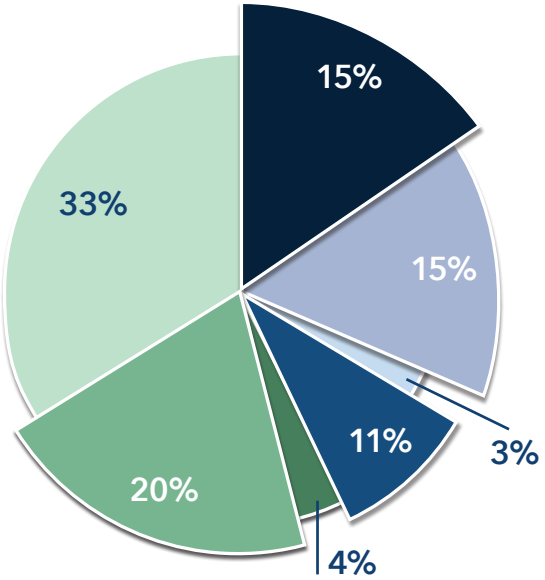
The Commission incurred expenses of $4,891,636 during 2025-26, allocated as shown below:

2025-26 Total Revenue



Province of PEI:	$2,584,500
Public Utilities:	$733,806
Investments and Other Income:	$24,440
Lands Protection Act Fees:	$1,680,317
Licenses - Petroleum:	$438,780
Assessments - Auto Insurance:	$220,481
Total Revenue	**$5,682,324**

2025-26 Total Expenditures



Public Utilities:	$727,684
Petroleum Products:	$515,319
Land & Property	$745,826
Auto Insurance	$144,834
Rental Office (assessed to Province of PEI)	$1,606,368
Appeals (assessed to Province of PEI)	$963,991
Corporate (assessed to Province of PEI)	$187,614
Total Expenditures	**$4,891,636**

The Commission's audited financial statements for the fiscal year ending March 31, 2026 can be found on page 21. Please note that the tables and audited financial statements in this report reflect the overall operation of the Commission, including the Office of the Director of Residential Tenancy.

Commission Activities

Fiscal Year 2025-26

The Commission processed a total of 1,297 files, resulting in a total of 816 decisions, orders, approvals, and recommendations issued. The following is a breakdown by area:

Appellate

Planning Act

New Appeals in 2025-26	26
Carried Over from 2024-25	30
Orders issued	13
Resolved by mediation	2
Withdrawn by appellant	13
Abandoned by appellant	1
Ongoing	27

Environmental Protection Act

New Appeals in 2025-26	2
Carried Over from 2024-25	1
Withdrawn	3
Ongoing	0

Residential Tenancy Act

New Appeals in 2025-26	64
Withdrawn by appellant	12
Orders issued	58
Orders to be issued- carried over to 2026-27	10

Real Property Assessment Act

New Appeals in 2025-26	3
Carried over from 2024-25	1
Withdrawn	1
Ongoing	3

Unsightly Premises Act

New Appeals in 2025-26	1
Ongoing	1

Heritage Places Protection Act

New Appeals in 2025-26	0
Appeals Carried over from 2024-25	1
Ongoing	1

Regulatory

Petroleum

Regular petroleum price settings	52
Unscheduled price settings	8
Licenses Issued	301
Orders Issued	2

Electricity

New applications in 2025-26	6
Carried Over from 2024-25	9
Orders Issued	8

Water - Sewer

New utility rate applications in 2025-26	4
Construction permits	6
Orders Issued	1

Auto Insurance

Total Applications in 2025-26	93
Rate Applications	23
Applications updating rate tables or for no change in rates	70

Waste Management

Total Applications in 2025-26	0
Orders issued	0

Administrative

Lands Protection Act

Non-Resident applications	91
Corporate applications	292
Corporate Non-Resident applications	100
Non-Profit applications	34
Global lease applications	20
Amendment applications	27
Amended permit applications	11
Annual disclosure statements	156

Municipal Government Act

Total Applications in 2025-26	0
Orders issued	0

Appellate Activities

While most appeals to the Commission arise out of decisions under the *Planning Act* and the *Residential Tenancy Act*, the Commission has appellate responsibilities under several Acts:

Archaeology Act
Business Practices Act
Climate Leadership Act
Collection Agencies Act
Consumer Protection Act
Consumer Reporting Act
Direct Sellers Act
Emergency 911 Act
Environmental Protection Act
Heritage Places Protection Act
Insurance Act
Charitable Lotteries Act
Payday Loans Act
Planning Act
Real Estate Trading Act
Real Property Assessment Act
Real Property Tax Act
Renewable Energy Act
Residential Tenancy Act
Revenue Administration Act
Roads Act
Securities Act
Trust and Fiduciary Companies Act
Unsightly Premises Act
Water Act

Planning Act

Under the *Planning Act*, parties aggrieved by decisions made by municipal councils or by the minister responsible for the Planning Act may appeal to the Commission.

In 2025-26, the Commission had 26 new planning appeals filed and 30 files carried over from the previous fiscal year. The Commission issued 13 Orders. Two appeals were resolved by mediation, one appeal was abandoned, and 13 appeals were withdrawn by the appellant. As of April 1, 2026, there were 27 planning appeals ongoing, in various stages including ongoing mediation, on hold at the request of the parties, awaiting information from the parties, in the hearing scheduling process, or a final decision was issued after the end of the reporting period.

The Commission uses active adjudication on all planning appeal matters. When filed, planning appeals are triaged by Commission staff and legal counsel. When a planning authority files its record, it is thoroughly reviewed by the Commission. Staff and legal counsel contact the parties and discuss the grounds of the planning appeal and record to determine the issues in dispute and see if any settlement is possible. Two planning appeals were resolved by mediation in 2025-26. As of April 1, 2026, one matter was in ongoing mediation. To further assist, the Commission offers mediation services to the parties on appeal at no cost to the parties. This resolves a number of appeals without the appeal having to go to a full hearing. Many parties to planning appeals choose to have the Commission try to mediate their issues.

	2023-24	2024-25	2025-26
Total active appeals	53	41	56
Appeal heard - allowed	4	1	0
Appeal heard - denied	4	2	2
Preliminary Jurisdictional Issue	-	1	10
Consent Order	0	0	1
Withdrawn by appellant	18	6	13
Resolved by mediation	4	1	2
Appeal abandoned	0	1	1
Ongoing	22	31	27*

** As of April 1, 2026*

A total of 29 planning appeal dockets were closed in the 2025-26 fiscal year. As of April 1, 2026, 27 planning appeals were ongoing and carried into the current fiscal year.

Below is a summary of ongoing planning appeals at the Commission for the year 2025-26:

Ongoing mediation	1
On hold at the request of the parties	10
Awaiting information from the parties	2
Hearing scheduled/to be scheduled	8
Commission considering preliminary issue	3
Final pending as of March 31, 2026	3
Total Ongoing	**27**

Environmental Protection Act

The *Environmental Protection Act*, along with the *Environmental Protection Act – Watercourse and Wetland Protection Regulations*, provides a limited right of appeal of certain decisions of the Minister responsible for the *Environmental Protection Act*.

In 2025-26, there were 2 environmental appeals filed at the Commission and one environmental appeal was carried over from the previous fiscal year. All three appeals were withdrawn by the appellants.

Appeals carried over from 2024-25	1
New appeals in 2025-26	2
Withdrawn	3

Residential Tenancy Act

Under the *Residential Tenancy Act*, parties dissatisfied with decisions from the Office of the Director of Residential Tenancy may appeal to the Commission. In 2025-26, the Commission received 64 appeals and issued 58 rental appeal Orders.

Below is a summary of appeals filed under the *Residential Tenancy Act* for 2025-26:

	2024-25	2025-26
Appeals	84	64
Appeals withdrawn by applicant	11	12
Orders issued	76	58
Orders to be issued	13	10*

** As of April 1, 2026*

Real Property Assessment Act

The Commission hears appeals on property tax assessments under the *Real Property Assessment Act*. In 2025-26, three appeals were filed with the Commission. One appeal is ongoing from the previous fiscal year. One appeal was withdrawn by the appellant. Two appeals are ongoing as of April 1, 2026.

Appeals filed in 2025-26	3
Carried over form 2024-25	1
Withdrawn	1
Ongoing	3

Unsightly Premises Act

The Commission hears appeals under the *Unsightly Premises Act*. In 2025-26, one appeal was filed with the Commission and is ongoing as of April 1, 2026.

Appeals filed in 2025-26	1
Ongoing	1

Heritage Places Protection Act

The Commission hears appeals under the *Heritage Places Protection Act*. While the Commission did not receive any appeals under this Act in 2025-26, one appeal has been carried over from the 2024-25 fiscal year and is ongoing as of April 1, 2026.

Appeals filed in 2025-26	1
Ongoing	1

Regulatory Activities

The Commission has regulatory responsibilities under the following Acts

Petroleum Products Act
Electric Power Act
Water and Sewerage Act
Insurance Act
Environmental Protection Act

Under the Acts listed above, the Commission has regulatory responsibilities in the following areas: the distribution and sale of petroleum products; regulatory authority over Maritime Electric; regulatory authority over municipal and private water and sewer utilities, excluding the larger municipalities of Charlottetown, Summerside, Stratford and Cornwall; regulatory authority over rate changes for the Island Waste Management Corporation, and automobile insurance rates offered on Prince Edward Island.

Petroleum

Under the Petroleum Products Act, the Commission has responsibility for:

- Setting prices for petroleum products.
- Determining the minimum and maximum markup between wholesale price to retailer, and retail price to consumer.
- Licensing petroleum outlets.

Under the Act, the Commission's role is to "ensure at all times a just and reasonable price for heating fuel and motor fuel to consumers and licensees within the province."

Orders Issued

The Commission issued 63 pricing related Orders during fiscal year 2025-26. This includes 52 regularly scheduled price adjustments and 9 unscheduled price adjustments (interruptions).

The Commission issued 2 Orders related to petroleum in 2025-26 that were not related to scheduled or unscheduled petroleum pricing adjustments. One Order was issued related to D.P. Murphy Inc.'s application for a new retail petroleum outlet in Borden-Carleton and one Order was related to Irving Oil Inc's application to increase propane tank rental fees.

Petroleum Pricing in 2025-26

In the fiscal period April 1, 2025 to March 31, 2026, the Commission met for 52 regularly scheduled price adjustments and 8 unscheduled price adjustments, for a total of 63 pricing adjustments between April 1, 2025 and March 31, 2026. While the majority of the year saw fairly stable pricing, uncertainty around US tariffs and escalating tensions between the US and Iran led to periods of market volatility. These global factors resulted in more unscheduled pricing adjustments (interruptions) than last fiscal year. The end of the 2025-26 fiscal year saw significant market volatility related to conflict between the US and Iran. As a result of this volatility, the Commission temporarily moved to twice weekly pricing adjustments (on Tuesdays and Fridays) on March 10, 2026 in an effort to minimize the disruptions to both retailers and consumers.

Pricing Methodology and Tracking

The pricing model used by IRAC tracks the daily prices of products sold in PEI. There are two prices we track: the New York Mercantile Exchange (NYMEX price) and the Charlottetown Rack Price. From these daily prices, the Commission calculates the average price of each product for the week. This average gives the Commission an idea of the general trend in price for each product. All daily prices are analyzed after being converted from US Dollars to Canadian dollars and from gallons to litres.

Weekly Pricing Adjustment

The Commission reviews and sets the price of petroleum products each week in Prince Edward Island. Normally, a pricing adjustment occurs once a week, with price changes coming into effect at 12:01 AM on Friday. As mentioned above, the Commission is currently adjusting the price of products twice a week; Tuesdays and Fridays. On a bi-weekly basis, we also set the price of propane.

Typically, the panel in charge of reviewing and setting prices will meet every Thursday to review three pieces of information from the pricing model:

- Daily price for each petroleum product.
- Average price for each product over the previous week.
- The year-to-date averages, calculated using the actual volumes sold.

While the Commission primarily uses this data to set the price of each product, there are additional factors that are considered by the Commission when setting the price, which include:

- Year-to-date margins: the Commission's goal in regulation is to ensure fair pricing for all, which includes meeting the set margins on each product.
- Market factors that may impact price such as volatility, supply and demand, weather events, etc.

These factors are reflected in pricing decisions as something called "forward averaging". The Commission may adjust the average price up or down based on the impact that these factors may have on the price. It allows the Commission to adjust the price based on analysis around what may happen with the price of products in between scheduled adjustments. Retail outlets may price anywhere within the minimum and maximum prices set by the Commission.

In the Fall 2025, a notice was posted on the Commission website that a petroleum pricing and margin review would be taking place. The Commission engaged an independent expert, Signal Energy Consulting, to assist with the review. Signal Energy Consulting submitted a report to the Commission at the end of March 2026, outlining findings and recommendations. Signal Energy Consulting's report is posted publicly on our website.

The petroleum pricing and margin review is ongoing at the time of writing. A public notice was issued in early May, requesting public feedback and interest from interveners. The Commission has also sent interrogatories (questions) to the expert and it is anticipated that a hearing will be held in the future.

The Commission reports petroleum product sold on a calendar year basis, rather than fiscal year basis. The following table shows the volume of petroleum products sold for previous calendar years:

Products Sold (in liters)

Product	2023	2024*	2025
Propane	37,060,115	35,857,214	33,599,200
Diesel	91,913,512	89,968,588	96,587,220
Furnace Oil	98,363,309	98,989,440	88,937,255
Gasoline	227,699,864	231,436,232	228,717,121

** 2024 data reflects the fiscal year and not the calendar year*

The following table shows the volume of petroleum product sold this past fiscal:

Products Sold (in liters)

Product	2025-26
Propane	33,996,045
Diesel	97,062,387
Furnace Oil	88,335,552
Gasoline	227,445,011

Petroleum Licensing

The jurisdiction of the Commission with respect to licensing under the *Petroleum Products Act* extends to all types of outlets involved in the distribution and sale of petroleum products in the province of Prince Edward Island. The Commission regulates licensees and the operation of their outlets. This includes wholesalers, retailers, and wholesaler-retailer operated outlets such as retail gasoline stations, tank trucks, retail propane outlets, and furnace oil delivery.

In 2025-26, the Commission renewed 301 petroleum licenses under the *Petroleum Products Act*.

	2023-24	2024-25	2025-26
Retail Distributors	16	16	13
Wholesalers	22	22	22
Tank Trucks	88	89	87
Retail Outlets	180	180	180
Total Licenses	306	307	301

Of the retail outlets licensed in this province, 55 sell propane only, and 43 are marine outlets.

The number of petroleum retail outlets in the province did not change in 2025-26; however, the Commission processed an application submitted by D.P. Murphy Inc. to open a new retail gasoline outlet in Borden-Carleton. As part of the application process, the Commission reviewed and considered around 400 public comments, and heard from various parties throughout a two-day hearing. In January 2026, the Commission issued Order PC26-001, approving the application to open a new retail outlet. Considering the level of public interest in this application and decision, the Commission used the opportunity to issue a plain language summary to accompany the decision for the very first time.

In April 2025, the Commission received an application from Irving Oil Limited requesting an increase in the allowable rental rate for residential 420lb propane tanks, due to rising costs. As a result, the Commission notified propane suppliers that the Commission would be reviewing the maximum allowable rental rate for residential propane tanks and invited feedback from suppliers. The Commission considered the submissions of industry stakeholders and criteria under the *Petroleum Products Act*, including whether the price is "reasonable and just". Also considering that the last propane tank rental fee adjustment was in February 2020, the rental fee had not increased in over five years. As a result, the Commission issued Order PR25-001 allowing the maximum allowable rental rate per tank to be set at $122.50.

Electricity

Regulation of Electric Utilities

The Electric Power Act gives the Commission the authority to regulate public utilities, including Maritime Electric Company, Limited and PEI Energy Corporation's Efficiency PEI. The Commission's role with Maritime Electric is to ensure that its customers receive safe and reliable service, and that the rates for electric service are reasonable, publicly justifiable and non-discriminatory. The Commission's role with Efficiency PEI is to review and approve expenditures on demand-side management programs that are charged to customers through Maritime Electric and Summerside Electric.

Public utility regulation in Canada originated in 1938 in Alberta. Boards were established based on an independent commission administrative model established in Texas and Oklahoma where decisions are made by a "respected arms-length regulator free from undo political interference". The foundation of the economic regulation of electrical and other public utilities was confirmed by the Supreme Court of Canada in 2006:

"Regulated utilities are given the exclusive rights to sell their services within a specific area at rates that will provide companies with the opportunity to earn a fair return for their investors. In return for this right of exclusivity, utilities assume a duty to adequately and reliably serve all customers in their determined territories, and are required to have their rates and certain operations regulated."

In setting electric rates, the Commission must balance the interests of Maritime Electric and the interests of its customers. This means that the rates for electric service must be fair to customers on the one hand, and also allow Maritime Electric the opportunity to earn a fair return on its investment. Typically, Maritime Electric determines when a change in electric rates is necessary. Maritime Electric then files a General Rate Application with the Commission, requesting a change in the electric rates and explaining why the change in rates is required.

In recent years, Maritime Electric has filed General Rate Applications seeking approval for rates for more than one year. This is called multi-year rate setting. In multi-year rate setting, electric rates are set for a period of two or three years. This benefits customers by ensuring that electric rates remain stable and predictable

The Commission considers many factors in setting electric rates. As part of its General Rate Application, Maritime Electric files its forecast annual revenue requirement. The annual revenue requirement is the amount required for Maritime Electric to recover its forecast annual costs of providing electric service, and to earn a fair rate of return. The annual revenue requirement is determined by looking at a number of forecasts, including Maritime Electric's forecast energy sales for the year, the forecast cost of generating or purchasing the energy, and the forecast cost of delivering that energy to customers.

The Commission analyzes each element of the revenue requirement to determine whether Maritime Electric's forecasts are reasonable. This is called cost of service regulation, as the electric rates are intended to allow Maritime Electric to recover its cost of providing service to customers, plus a reasonable rate of return. The Commission will often engage the services of expert consultants to assist with its analysis.

Each year, Maritime Electric is required to submit its annual capital budget to the Commission for review and approval. The capital budget includes any proposed expenditures for capital improvements or additions that are anticipated for the next year.

On a monthly basis, the Commission reviews Maritime Electric's monthly financial statements. The Commission invites public input throughout the rate setting process. The public has the opportunity to submit questions to Maritime Electric, make comments to the Commission, and participate in the public hearing as an intervener.

Fiscal Year 2025-26

During the 2025–26 fiscal year, Maritime Electric filed a number of applications with the Commission, including its 2026 Capital Budget, 2024 Capital Budget Variance Report, applications for approval to issue First Mortgage Bonds, Energy Cost Adjustment Mechanism and Open Access Transmission Tariff rate adjustments, supplemental capital budget requests related to On-Island Capacity for Security of Supply, Utility Scale Solar and the CIS/AMI Project, a request to establish a deferral account for operating costs related to potential rotating outages, and an application to exchange lands with the City of Charlottetown. During the fiscal year, the Commission issued eight Orders in response to Maritime Electric applications.

In December 2024, Maritime Electric filed an application seeking approval for additional on-Island generation capacity to address security of supply. In August 2025, Maritime Electric filed a supplemental application requesting approval of an accelerated project to install two 50 MW combustion turbines. The Commission received one application for intervener status and two applications for friend of the Commission status, all of which were approved. The Commission also retained Synapse Energy Economics as an independent expert to review the application. A technical session was held on September 11, 2025, followed by an extensive evidence-gathering process, including interrogatories, expert reports, and written submissions. The Commission has scheduled a public hearing on August 25, 2026.

In December 2022, the Commission issued an interim order approving a deferral account to record eligible Hurricane Fiona restoration costs. Hurricane Fiona made landfall on Prince Edward Island on September 24, 2022, causing significant damage to Maritime Electric's electricity system.On November 2, 2023, Maritime Electric filed an application seeking approval to recover the costs recorded in the deferral account, together with a shareholder equity injection. The Commission retained EA Technology as an independent expert to review the application, completed an extensive interrogatory process, and held a public hearing on March 3, 2026. The Commission's Decision and Order were issued subsequent to the fiscal year-end.

Maritime Electric's Stage 1 Rate Design application, originally filed in May 2021, continued through the 2025–26 fiscal year. The Commission retained Synapse Energy Economics as an independent expert to review the application. Two interveners participated in the proceeding, and an extensive interrogatory and evidence-gathering process was undertaken. A public hearing was held in October 2025. Following the hearing, the Commission continued its review of the evidence and submissions. The Commission's Decision and Order were issued subsequent to the fiscal year-end.

Maritime Electric filed its 2026 Capital Budget in November 2025. The application remained before the Commission at the end of the 2025-26 fiscal year. Maritime Electric filed its 2025 Capital Budget application in August 2024. The Commission partially approved the application on January 31, 2025. The remaining three capital projects were reviewed and approved during the 2025-26 fiscal year.

Maritime Electric requested Commission approval to place the Comprehensive Report on Weather Normalization Reserve Mechanism in Abeyance on May 28, 2024. The Commission denied this request. Maritime Electric filed its Comprehensive Report on September 27, 2024. This application is ongoing at year-end.

Maritime Electric filed an application in December 2025 seeking approval to increase the Energy Cost Adjustment Mechanism rates. The application remained before the Commission at the end of the 2025-26 fiscal year.

Maritime Electric filed a supplemental capital budget request for utility scale solar project in February 2025. The application remained before the Commission at the end of the 2025-26 fiscal year. Maritime Electric also filed a supplemental capital budget request in July 2025 seeking approval for increased costs related to the Advanced Metering Infrastructure Project. The application remained before the Commission at the end of the 2025-26 fiscal year.

Maritime Electric filed an application in December 2025 seeking approval to establish a deferral account for operating costs associated with potential rotating outages plan. The application remained before the Commission at the end of the 2025-26 fiscal year. Maritime Electric filed proposed amendments to its General Rules and Regulations in March 2025. The application remained before the Commission at the end of the 2025-26 fiscal year.

Water and Sewer

Under the *Water and Sewerage Act*, the Commission regulates all water and wastewater utilities in Prince Edward Island, excluding municipal utilities operating in Charlottetown, Summerside, Stratford, and Cornwall. For more information, visit the Commission website.

In 2025-26, the Commission issued 6 permits for utility construction projects. The projects included the extension of water services in Granville, the extension of the wastewater system and watermain in Georgetown, the replacement of infrastructure in O'Leary, and the extension of water and sanitary systems in Three Rivers. Funding through various federal-provincial development initiatives offset overall project costs, which substantially reduces the impact on utility rates.

At the end of March 2026, four rate-related applications were before the Commission, wherein utilities were seeking an increase in rates.

In the 2025-26 fiscal year, the Commission began work on updating its Uniform System of Accounts for Municipal Utilities. This work was undertaken to bring the Commission's approved system of accounts in line with current public sector accounting standards. A revised system of accounts is expected to be rolled out to utilities in 2026-27.

Automobile Insurance

The Insurance Act provides for the supervision of automobile insurance rates by the Commission. The Commission regulates private passenger, commercial and miscellaneous classes of vehicles such as motorcycles and snowmobiles.

The Insurance Act requires all insurers providing automobile insurance in Prince Edward Island to file their rates at least once every 12 months with the Commission. In the 2025-26 fiscal year, the Commission reviewed and approved 93 filings by insurance companies. Of these filings, 23 were rate applications from companies resulting in changes to base rates. The other 70 applications were simplified filings wherein the companies were proposing no changes in rates or updating rate group tables.

Insurance premiums for private passenger vehicles on Prince Edward Island average approximately $1,125.79 as of March 31, 2026. Average private passenger premiums in Prince Edward Island remain the lowest in Canada, with the exception of Quebec, which operates a public program.

Island Waste Management

The Environmental Protection Act gives the Commission the authority to regulate fees associated with waste management and collection by the Island Waste Management Corporation (IWMC). During the 2025-2026 fiscal year, the Commission did not receive any applications from IWMC to amend its waste management fees. As a result, no changes to the approved fee schedule were considered or approved during the year.

Administrative Activities

The Commission has administrative responsibilities under the following Acts:

Lands Protection Act
Municipal Government Act
Residential Tenancy Act

Lands Protection Act

The Commission is responsible for the administration of the *Lands Protection Act*. The Commission does not make decisions on land applications; it is a recommending body for Executive Council which holds the authority to approve or deny applications for land purchases or leases. The Commission's Lands Protection Panel meets bi-weekly to review land applications.

The Commission is also responsible for monitoring the land holdings of large land owners and carrying out investigations to enforce the Act. To learn more about the Lands Protection Act, visit our website.

Lands Protection Act

In 2025-26, the Commission processed 575 applications under the Lands Protection Act. Of these, 537 applications were for the acquisition of land involving 31,076 acres.

The following charts summarize the land applications reviewed by the Commission over the past three years:

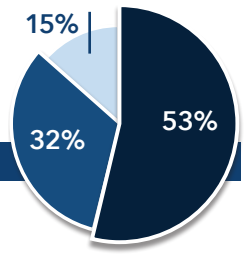
Lands Protection Act Applications Processed

	2023-24	2024-25	2025-26
Propane	45	47	100
Diesel	92	87	91
Furnace Oil	340	346	292
Gasoline	13	11	20
Propane	6	6	11
Diesel	21	18	27
Furnace Oil	-	22	34
Gasoline	517	515	575

Non-Resident Applications

The Commission considered 91 applications from non-residents totaling approximately 1,996 acres. This includes 53 applications with shore frontage, totaling approximately 22,234 feet of shore frontage.

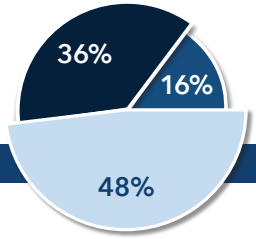
Prince County Acreage	293
Kings County Acreage	643
Queens County Acreage	1,060
Total Acreage	**1,996**



Resident Corporate Applications

The Commission considered 292 applications totaling approximately 12,773 acres of land from resident corporations. Forty-six applications with shore frontage, totaling approximately 83,562 feet, were included in the resident corporate applications.

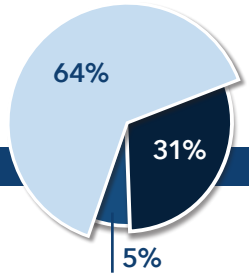
Prince County Acreage	6,162
Kings County Acreage	1,976
Queens County Acreage	4,635
Total Acreage	**12,773**



Non-Resident Corporate Applications

The Commission considered 100 applications totaling approximately 6,813 acres of land from non-resident corporations. 16 applications with shore frontage, totaling approximately 20,876 feet, were included in the non-resident corporate applications.

Prince County Acreage	4,390
Kings County Acreage	331
Queens County Acreage	2,092
Total Acreage	**6,813**



Non-Profit Applications

The Commission considered 34 applications from non-profit corporations totaling approximately 1,913 acres: 821 acres of which were located in Kings County, 245 acres in Prince County, and 847 acres located in Queens County. Included in the 34 applications was eleven applications with shore frontage, totaling approximately 29 feet of shore frontage.

Global Leasing Applications

A Global Lease Permit enables a corporation or non-resident person to apply for permission to acquire land by way of lease and to continue to hold a permitted number of acres of land as part of their aggregate land holdings. This permit is especially useful for farm corporations that use different parcels of land each year in their crop rotations. Twenty applications, totaling 7,581 acres of land, were considered under section 5.3 of the Act.

Applications for Amended Permit

A requirement for amended permits was introduced effective April 1, 2022 where a corporation proposes to make a material change in its shareholder structure that would result in the aggregate land holdings of its resident shareholders to exceed 400 acres. In 2025-26, 11 amended permit applications were processed by the Commission.

Applications to Cancel, Suspend or Amend Conditions

The Commission is responsible for receiving applications to cancel, suspend, or amend any condition imposed on land, including the condition that land be identified for non-development use. The Commission does not make recommendations on these applications. Its role is to review the applications to ensure they are complete before being submitted to the Minister of Agriculture and Land for consideration. Upon receipt, the Minister makes recommendations to Executive Council.

In 2025-26, 27 applications were processed by the Commission and forwarded to the Department of Housing, Land and Communities, as the Department was named at the time.

Annual Declaration Statement

Under the LPA, a person having an aggregate land holding in excess of 750 acres, or a corporation having an aggregate land holding in excess of 2,250 acres, must file an annual land holding declaration statement with the Commission.

For the year ending December 31, 2025, the Commission received and processed 156 land holding declaration statements. Of these, 125 were filed by persons, and 31 were filed by corporations.

Municipal Government Act

Under the *Municipal Government Act*, the Commission receives applications and provides a report and recommendations to the Minister of Housing, Land, and Communities on proposals to establish, restructure or dissolve municipalities. In 2025-26, the Commission did not receive any applications under the *Municipal Government Act.*

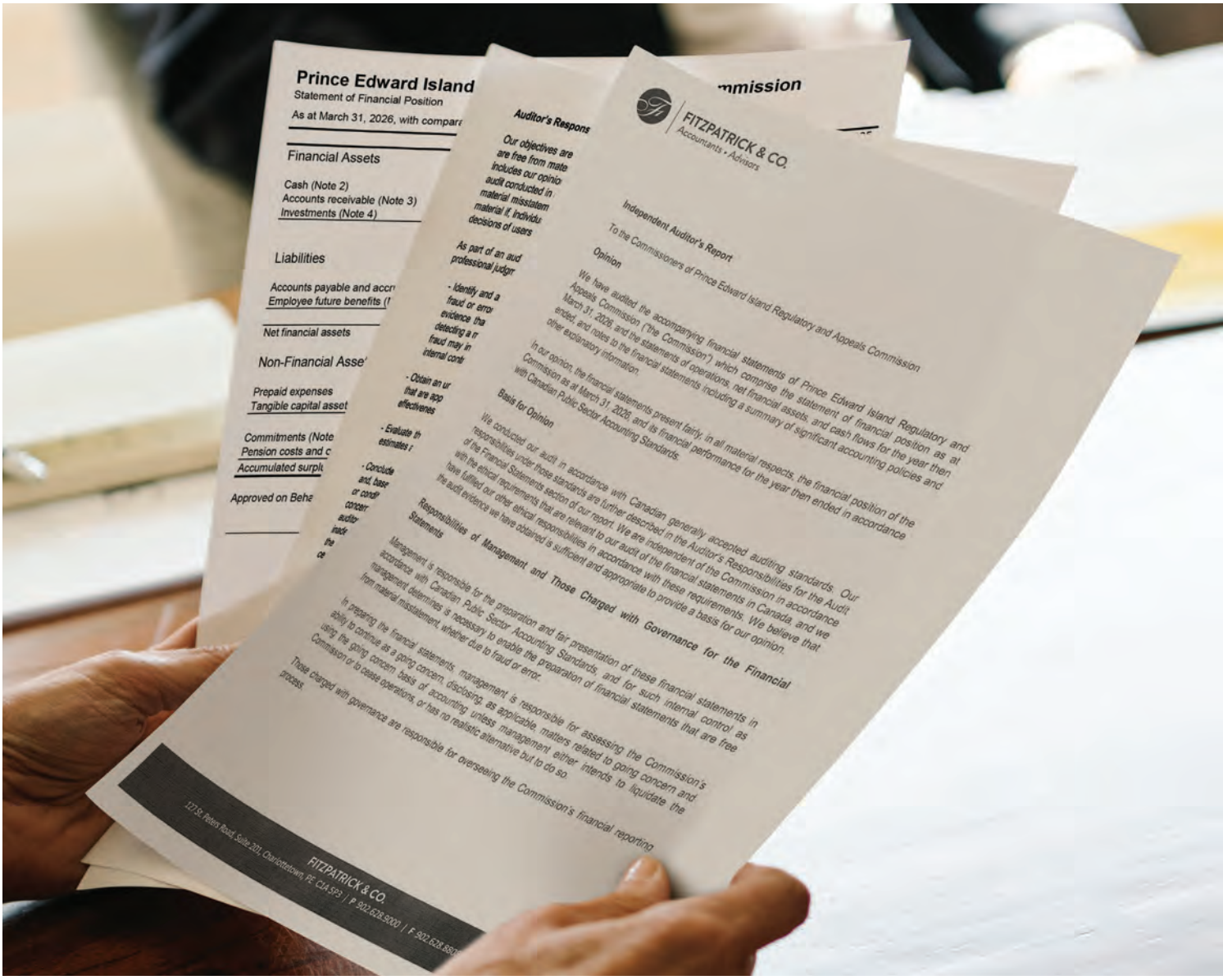
Financial Statements

Fiscal Year 2025-2026

Section 17 of the *Island Regulatory and Appeals Commission Act* states:

> *"The Executive Committee shall appoint an auditor to audit the accounts and financial transactions of the Commission."*

The Commission has appointed Fitzpatrick & Company, an independent company, to audit its financial statements for the year ended March 31, 2026. Please note that these statements reflect the overall operation of the Commission, including the Office of the Director of Residential Tenancy.



Independent Auditor's Report

To the Commissioners of Prince Edward Island Regulatory and Appeals Commission

Opinion

We have audited the accompanying financial statements of Prince Edward Island Regulatory and Appeals Commission ("the Commission") which comprise the statement of financial position as at March 31, 2026, and the statements of operations, net financial assets, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2026, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

FITZPATRICK & CO.
127 St. Peters Road, Suite 201, Charlottetown, PE C1A 5P3 | P 902.628.9000 | F 902.628.8808 | fitzandco.ca

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Commission or business activities within the Commission to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fitzpatrick & Company

Chartered Professional Accountants

Charlottetown, PE
June 28, 2026

Prince Edward Island Regulatory and Appeals Commission

Statement of Financial Position

As at March 31, 2026, with comparative figures for 2025

	2026	2025
Financial Assets		
Cash (Note 2)	$ 427,161	$ 1,020,331
Accounts receivable (Note 3)	363,759	555,689
Investments (Note 4)	2,450,904	696,487
	3,241,824	2,272,507
Liabilities		
Accounts payable and accrued liabilities (Note 5)	1,776,160	1,516,955
Employee future benefits (Note 6)	235,967	247,325
	2,012,127	1,764,280
Net financial assets	1,229,697	508,227
Non-Financial Assets		
Prepaid expenses	7,076	8,562
Tangible capital assets (Note 7)	241,949	171,245
	249,025	179,807
Commitments (Note 8)		
Pension costs and obligations (Note 9)		
Accumulated surplus (Note 10)	$ 1,478,722	$ 688,034

Approved on Behalf of the Commission;

_____, Commissioner _____, Commissioner

Prince Edward Island Regulatory and Appeals Commission

Statement of Operations and Accumulated Surplus

For the Year Ended March 31, 2026, with comparative figures for 2025

	Budget (Note 12)	2026	2025
Revenue:			
Assessment - Province of PEI	$ 2,584,500	$ 2,584,500	$ 2,395,600
Assessments - Public utilities	722,000	733,806	682,187
Assessments - Petroleum products	462,900	438,780	426,990
Assessments - Land and property	600,000	1,680,317	1,086,794
Assessments - Auto insurance	225,000	220,481	225,410
Investment and other income (Note 13)	23,000	24,440	36,258
	4,617,400	5,682,324	4,853,239
Direct expenses:			
Public utilities	679,201	727,684	598,292
Petroleum products	492,295	515,319	407,600
Land and property	850,878	745,826	641,690
Auto insurance	229,831	144,834	149,789
Rental	1,493,023	1,606,368	1,335,029
Appeals	1,094,813	963,991	909,027
	4,840,041	4,704,022	4,041,427
Net revenue before operating expenses	(222,641)	978,302	811,812
Operating expenses:			
Amortization	191,000	187,614	138,548
Annual surplus (deficit)	(413,641)	790,688	673,264
Accumulated surplus, beginning of year	688,034	688,034	14,770
Accumulated surplus, end of year	$ 274,393	$ 1,478,722	$ 688,034

Prince Edward Island Regulatory and Appeals Commission

Statement of Net Financial Assets

As at March 31, 2026, with comparative figures for 2025

	Budget (Note 12)	2026	2025
Annual surplus (deficit)	$ (413,641)	$ 790,688	$ 673,264
Acquisition of tangible capital assets	(261,000)	(258,319)	(147,516)
Amortization of tangible capital assets	191,000	187,615	138,548
Proceeds on the sale of capital assets	-	255	4,914
Gain on sale of capital assets	-	(255)	(1,199)
Decrease of prepaid expenses	-	1,486	35,940
	(483,641)	721,470	703,951
Net financial assets (debt), beginning of year	508,227	508,227	(195,724)
Net financial assets, end of year	$ 24,586	$ 1,229,697	$ 508,227

Prince Edward Island Regulatory and Appeals Commission

Statement of Cash Flows

For the Year Ended March 31, 2026, with comparative figures for 2025

	2026	2025
Cash flows from operating activities:		
Cash receipts from assessments	$ 5,851,215	$ 4,829,226
Cash paid to suppliers and employees	(4,454,688)	(4,076,541)
Gain on sale of capital assets	(255)	(1,199)
Interest received	23,039	34,994
	1,419,311	786,480
Cash flows from capital activities:		
Purchase of tangible capital assets	(258,319)	(147,516)
Cash flows from investing activities:		
Proceeds from sale of capital assets	255	4,914
(Increase) decrease in investments	(1,754,417)	196,383
	(1,754,162)	201,297
Net (decrease) increase in cash	(593,170)	840,261
Cash, beginning of year	1,020,331	180,070
Cash, end of year	$ 427,161	$ 1,020,331

The Commission is incorporated under the Island Regulatory and Appeals Commission Act of Prince Edward Island. The Commission is primarily engaged in the general supervision of public utilities, petroleum distributors, land and property appeals, Office of the Director of Residential Rental Property, auto insurance rate regulation, and the hearing of appeals for property and sales tax disputes. The Commission is also responsible for recommending decisions under the Lands Protection Act. The Commission is a non-taxable entity under the provisions of the Income Tax Act.

1. Significant accounting policies:

a) Basis of accounting:

The financial statements of the Commission are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards.

b) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts directly attributable to acquisition or construction of the tangible capital assets. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Asset	Rate
Computer equipment	3 years
Furnishings and equipment	5 years
Leasehold improvements	5 years

c) Vacation pay, retirement allowance, and sick time:

Vacation pay is recorded as a liability when earned.

The Commission records an annual expense based on the change in the actuarially determined obligation for retirement allowance benefits, net of payments during the year.

The Commission records an annual expense based on the change in the actuarially determined obligation for sick time, net of sick time taken in excess of sick time earned during the year.

d) Government transfers:

Government transfers are transfers of monetary assets or tangible capital assets from a government for which the government making the transfer does not receive any goods or services directly; in return expect to be repaid in the future; or expect a direct financial return. Government transfers are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue when stipulations are met.

1. Significant accounting policies: (continued)

e) Pension costs:

Employees of the Commission belong to the Civil Service Superannuation Plan which is a multi-employer contributory defined benefit pension plan and is accounted for as a defined contribution plan. Employees' contributions and matching employer's contributions are transferred to the Civil Service Superannuation Fund. These contributions are expensed as incurred. Future actuarial liabilities assumed by the Province of Prince Edward Island are not reflected in these financial statements.

f) Investments:

Investments consist of Guaranteed Investment Certificates and are recorded at cost plus accrued interest.

g) Leasehold improvements and inducements:

Costs incurred or paid by landlords to renovate the Commission's premises are recorded as leasehold improvements and amortized over the life of the lease.

h) Revenue recognition:

All revenues other than investment income are recorded in the period in which the transactions or events that give rise to the revenues occur. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the Commission discharges the obligations that led to the collection of funds. Investment income is recorded in the period in which the interest is earned.

i) Use of estimates:

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash:

	2026	2025
Cash	$ 421,859	$ 783,651
Cash - held in investment account	-	231,378
Cash - held in trust for deposit guarantees	5,302	5,302
	$ 427,161	$ 1,020,331

3. Accounts receivable:

	2026	2025
Trade receivables	$ 307,110	$ 517,606
HST receivables	56,099	36,252
Employee advances	550	1,831
	$ 363,759	$ 555,689

4. Investments:

Investments consist of Guaranteed Investment Certificates invested at the Bank of Nova Scotia with interest rates ranging from 2.15% to 3.18%, maturing between December 2026 and March 2027.

5. Accounts payable and accrued liabilities:

	2026	2025
Province of Prince Edward Island - accumulated surplus	$ 1,072,630	$ 1,072,630
Trade	473,060	249,632
Vacation pay	130,967	105,105
Accrued sick leave	94,201	84,286
Deposit guarantees - Director of Residential Rental Property (Note 2)	5,302	5,302
	$ 1,776,160	$ 1,516,955

Accumulated surplus:

On April 1, 2013, an agreement was signed with the Province of Prince Edward Island effective until March 31, 2016. Under this agreement, the Commission has agreed to refund the accumulated surplus to the Province, at the discretion of the Province, for any fiscal year by March 31 of the year following the end of the fiscal year for which the accumulated surplus is calculated. On January 26, 2015, the Commission received a legal opinion from independent counsel which raises concerns about the obligations of the Commission to the Province of Prince Edward Island regarding the transfer of accumulated surplus as recognized in these financial statements. In addition, legal counsel provided an opinion that it is not necessary for the Commission to have a new agreement with the Province. As a result, it is unknown at the time of this report whether the accumulated surplus will be paid to the Province.

6. Employee future benefits:

Certain employees are eligible for retiring pay as defined by the Collective Bargaining Agreement with the Government of Prince Edward Island. This plan provides retiring pay to employees who meet the eligibility requirements outlined in the Agreement. The retiring pay entitlement is equal to either one week or two weeks of pay for each year of service and the maximum will vary depending on the particular employee group. These benefits are unfunded. An analysis of the components of, and changes in, employee future benefits is as follows:

6. Employee future benefits: (continued)

Retirement allowance	2026	2025
Balance, beginning of year	$ 247,325	$ 315,585
Current service cost	31,464	27,194
Accrued interest	11,000	11,680
Retirement pay	(51,975)	(106,125)
Gain on valuation	(1,847)	(1,009)
	$ 235,967	$ 247,325

The 2026 retirement allowance balances are based on an independent actuarial valuation estimate dated June 5, 2026. The Commission projects the total liability in the years between the tri-annual actuarial valuations.

The economic assumptions used in determining the actuarial value of accrued retirement allowances were developed by reference to the expected long-term market conditions. Significant actuarial assumptions used in the valuations and projections on the actuarial report which was completed on June 15, 2024, are primarily the same with exception of the discount rate. The discount rate has been updated to reflect market rate changes which is consistent with the Province's cost of borrowing. The remaining assumptions are below:

	2026	2025
Discount rate	4.64%	4.23%
Expected inflation rate	2.00%	2.00%
Expected average remaining service life	14 years	14 years

Employees that become ineligible for retiring benefits may become entitled to severance benefits calculated under similar methods. During the 2026 fiscal period, two employees retired, resulting in a decrease in the obligation of $ 51,975 (2025 - $ 106,125).

7. Tangible capital assets:

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Computer equipment	$ 1,813,504	$ 1,593,037	$ 220,467	$ 137,098
Furnishings and equipment	157,796	147,326	10,470	19,872
Leasehold improvements	200,909	189,897	11,012	14,275
	$ 2,172,209	$ 1,930,260	$ 241,949	$ 171,245

8. Commitments:

The Commission has an operating lease for its premises at $ 16,469 per month plus common area charges, under a lease expiring March 31, 2027.

The minimum annual lease payment to the expiry date is $ 197,628.

9. Pension costs and obligations:

The Commission participates in the multi-employer contributory defined benefit pension plan as defined by the Civil Service Superannuation Act. This plan provides a pension on retirement based on 2% of the average salary for the highest three years times the number of years of pensionable service for service to December 31, 2013, and 2% of the career average salary indexed with cost of living adjustments for service after 2013. Indexing is subject to the funded level of the plan after December 31, 2016. The plan is administered by the Province of Prince Edward Island and the responsibility for any unfunded liability is that of the Province.

During the year, the Commission contributed $ 449,754 (2025 - $ 423,105) to the defined benefit pension plan on behalf of employees. These amounts are included in salaries and employee benefits in the Statement of Operations.

10. Accumulated surplus:

The Commission segregates its accumulated surplus (deficit) in the following categories:

	2026	2025
Capital fund	$ 241,949	$ 171,245
Operating fund	1,036,773	316,789
Reserve	200,000	200,000
	$ 1,478,722	$ 688,034

Capital fund:

The capital fund represents amounts already spent and invested in tangible capital assets.

Reserve:

Under the agreement signed April 1, 2013 with the Province of Prince Edward Island, the Commission was allowed to retain a one time $ 200,000 reserve of its accumulated surplus to cover net costs exceeding the annual assessments agreed to under this agreement. Although a new agreement is not in place, the reserve fund will be unchanged.

11. Financial instruments risk:

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission is exposed to credit risk arising from its accounts receivable.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to interest rate risk arising from its pension and sick leave liability.

12. Budget:

A reconciliation of the 2026 fiscal operating budget prepared by the Commission to the budget figures disclosed in the financial statements is as follows:

		2026
Commission budgeted annual deficit	$	413,641
Add:		
Capital expenditures		261,000
	$	674,641

13. Investment and other income:

		2026		2025
Investment income	$	23,039	$	34,994
Other		1,401		1,264
	$	24,440	$	36,258

Residential Tenancy Office
Prince Edward Island • CANADA

2025-2026 Report
From the Residential Tenancy Office

Letter from the Director of Residential Tenancy

I am pleased to present the 2025-2026 Annual Report from the Residential Tenancy Office, better known as the Rental Office. This is the third report since the *Residential Tenancy Act* was proclaimed on April 8, 2023 and once again this year all files were adjudicated under the new legislation, mainly via telephone hearings.

In 2025-2026, the Rental Office responded to 11,355 inquires, down slightly from last year. Our inquiries continued to be split almost evenly among tenants and landlords seeking information. While our Intake Officers field a high volume of inquiries every year, the legislative changes continue to result in more complex and more time-consuming inquiries than under the previous legislation. Intake Officers also processed a record number of 1,042 applications this year. This is a 14% increase compared to last year's 915 applications processed.

In addition to the regular business of the Rental Office, I am pleased that our compliance unit was fully operational this past fiscal year. This included the development of rules of procedure around investigations and administrative monetary penalties, a policy and process for investigations, and a complaint form. All are now available on the Rental Office website. Under the Act, the compliance function at the Rental Office allows an individual to file a complaint about an alleged contravention of the *Residential Tenancy Act*. Complaints related to compliance are dealt with separately from the regular adjudicative process at the Rental Office.

Under the new legislation, issues continue to be identified and expressed to the Rental Office by landlords and tenants. Key challenges identified by landlords involve the new security deposit process and penalties for non-compliance including the double recovery of the security deposit; the 3 % cap on rent increases above the maximum annual allowable amount; the inability to change the rent on a unit between tenants; the inability to change services in a tenancy agreement: and the automatic right to appeal a rental Order to the Commission even if a party did not attend the original rental hearing. Key challenges identified by tenants include the shortened window of time to appeal an Order if a rental agreement is terminated for cause; the increase in landlords applying every year for rent increases above the maximum annual allowable amount; the possibility of eviction due to apartments being sold as condos and mobile home lots being sold and/or decommissioned; and the number of new landlords buying rental properties in Prince Edward Island.

In 2025-2026, the Residential Tenancy Officers continued to deal with a high volume of applications to adjudicate. The Officers issued 430 Orders, with 184 of the Orders involving two or more applications heard together, for a total 614 applications adjudicated.

The staff at the Rental Office continue to provide information and guidance to tenants, landlords, and the general public during a time of transition in the rental landscape in Prince Edward Island. I am grateful to work alongside such skilled individuals and thank them for their professionalism and their expertise as we continue to ensure that the Rental Office fulfills its mandate of adjudicating rental matters in a fair and timely manner.

Thank you,

Jennifer L. Perry
Director, Residential Tenancy

Lettre de la directrice des locaux d'habitation à louer

J'ai le plaisir de vous présenter le Rapport annuel 2025-2026 du Bureau de la location résidentielle, mieux connu sous le nom de Bureau des locations. Il s'agit du troisième rapport préparé depuis la promulgation de la Residential Tenancy Act (loi sur la location de locaux d'habitation) le 8 avril 2023 et, une fois de plus cette année, tous les dossiers ont été jugés en vertu de la nouvelle loi, principalement dans le cadre d'audiences tenues par téléphone.

En 2025-2026, le Bureau des locations a répondu à 11 355 demandes de renseignements, soit un peu moins que l'exercice précédent. Comme toujours, celles-ci étaient réparties à peu près équitablement entre les propriétaires et les locataires à la recherche d'informations. Nos agents d'accueil reçoivent un volume élevé de requêtes chaque année, mais les modifications législatives continuent de donner lieu à des questions plus complexes que celles reçues avant la nouvelle loi. Les agents d'accueil ont également traité un nombre record de 1 042 demandes cette année. Cela représente une augmentation de 14 % par rapport aux 915 demandes traitées l'année dernière.

Outre les activités courantes du Bureau des locations, je suis heureux d'annoncer que notre unité de conformité a été pleinement opérationnelle tout au long du dernier exercice. Cela a notamment permis l'élaboration de règles de procédure relatives aux enquêtes et aux sanctions administratives pécuniaires, d'une politique et d'un processus d'enquête et d'un formulaire de plainte. Tous ces documents sont maintenant accessibles sur le site Web du Bureau des locations. Selon la Residential Tenancy Act (loi sur les locaux d'habitation), la fonction de conformité du Bureau des locations permet à une personne de déposer une plainte concernant une présumée contravention à la loi. Les plaintes liées à la conformité sont traitées séparément du processus décisionnel habituel du Bureau des locations.

Les propriétaires et les locataires continuent de faire part de certains défis dans le cadre de la nouvelle loi. Les principaux défis relevés par les propriétaires concernent la nouvelle procédure de dépôt de garantie et les sanctions en cas de non-respect, notamment le double recouvrement du dépôt; le plafonnement à 3 % des augmentations de loyer au-delà du montant annuel maximum autorisé; l'impossibilité de modifier le loyer d'un logement entre deux locataires; l'impossibilité de modifier les services dans un contrat de location; et le droit automatique d'interjeter appel d'une ordonnance en matière de location devant la Commission, même si une partie n'a pas assisté à l'audience initiale en matière de location. Les principaux défis rapportés par les locataires sont le raccourcissement du délai pour faire appel d'une ordonnance en cas de résiliation motivée d'un contrat de location; l'augmentation du nombre de propriétaires demandant chaque année des augmentations de loyer supérieures au montant annuel maximum autorisé, la possibilité d'expulsion lorsque des appartements sont vendus en tant que condominiums et lorsque les terrains pour maisons mobiles sont vendus ou mis hors service; et le nombre de nouveaux propriétaires qui achètent des biens immobiliers destinés à la location à l'Île-du-Prince-Édouard.

Les agents chargés de la location résidentielle ont continué de traiter un volume élevé d'affaires à juger en 2025-2026. Les agents ont rendu 430 ordonnances, dont 184 concernaient au moins deux demandes entendues ensemble, pour un total de 614 demandes ayant fait l'objet d'une décision.

Le personnel du Bureau des locations continue de fournir informations et conseils aux locataires, aux propriétaires et au grand public pendant une période de transition dans le paysage locatif de l'Île-du-Prince-Édouard. Je suis reconnaissante de travailler aux côtés de personnes aussi compétentes et je les remercie pour leur professionnalisme et leur expertise. Ensemble, nous veillons à ce que le Bureau des locations remplisse son mandat d'arbitrage des litiges en matière de location de manière équitable et dans des délais raisonnables.

Merci,

Jennifer L. Perry
Directrice des locaux d'habitation à louer

Overview - Rental Office

Fiscal Year 2025-2026

The Residential Tenancy Office, known as the Rental Office is responsible for the administration, interpretation and adjudication of residential rental legislation in Prince Edward Island. On April 8, 2023 the *Residential Tenancy Act*, "RTA" was proclaimed replacing the former legislation, the *Rental of Residential Property Act* "RRPA" which had been in place for over 30 years. While 2023-2024 was a period of transition, this is the second full fiscal year with all rental applications adjudicated under the RTA.

In 2025-2026, the Rental Office issued 430 Orders and received a record number of 1,042 applications for dispute resolution from tenants and landlords. Please note that, 184 of the Orders issued dealt with multiple applications in the same Order for a total of 614 applications being adjudicated.

The RTA creates a forum, outside of the traditional court system, for the interpretation of the new legislation and the adjudication of disputes between tenants and landlords. It also establishes the rights and obligations of tenants and landlords, and defines processes and procedures to deal with violations and enforcement of the legislation and residential tenancy agreements.

Under the RTA, the Director is responsible for:

- Providing information to landlords, tenants and other persons respecting rights and obligations under the Act;
- Establishing and publishing Rules of Procedure for the conduct of proceedings;
- Publishing Decisions/Orders issued and status of penalties;
- Creating and approving Forms for the purposes of the Act;
- Receiving and investigating allegations of violations of the RTA and its Regulations;
- Holding hearings, making decisions, and issuing orders on matters relating to the rights of tenants and landlords; and
- Establishing the Annual Allowable Rent Increase for the province in accordance with the legislation and publishing it in the Gazette.
- Establish a system to ensure compliance with rental legislation

The statutory conditions referenced in the *RTA* and other provisions governing the rental of residential property, rental units, and mobile home sites include:

- Rent and Fees
- Terminating or Restricting Services
- Privacy and Quiet Enjoyment
- Access and Doors
- Repair and Maintenance
- Assigning or Subletting
- Additional Provisions for Mobile Homes
- Notice Requirements for both Tenants and Landlords
- Storing and Disposal of a Tenant's Personal Property
- Establish a system to ensure compliance with rental legislation
- Security Deposits
    - *Rent Increases, Annual and Additional*
    - *Other Obligations of Tenants and Landlords*

The Rental Office is comprised of a Director, two Rental Officers, one Senior Rental Officer/Investigator, three Intake Officers and one Office Administrator. Rental Officers hear disputes and issue decisions. Intake Officers handle inquiries from tenants, landlords, the public and receive applications for hearings. Both Rental Officers and Intake Officers attempt to resolve rental disputes prior to the hearings if at all possible. More information is available at peirentaloffice.ca.

Year in Review

Inquiries

In 2025-2026, the Rental Office responded to 11,355 inquiries, which is a decrease from 12,150 inquiries the previous fiscal year. It is interesting to note that 49% of the inquires came from tenants, 47% came from landlords and 4% did not identify as either. Rental Intake Officers responded to approximately 950 inquiries a month and provided information mainly by telephone, email, letter, and in person meetings with clients.

Applications Filed

In 2025-2026, the Rental Office received a record number of 1042 applications for adjudication of rental disputes. This is an increase of 14% over 915 applications received the previous fiscal year. Of those applications, 37 were withdrawn by the applicant prior to the hearing and 175 were resolved by the parties, with the assistance of rental staff prior to the hearing.

Nature of Applications for Adjudication

This graph provides a breakdown of the applications received by the Rental Office during 2025-2026 under the RTA.

Formal Applications Recieved	1042
Abandoned Personal Property	24
Breach of Statutory Conditions	478
Security Deposits	278
Termination	211
Rent Increases Above the Maximum Annual Allowable Amount	51

Compliance Complaints Filed at Rental Office in 2025-26

This graph provides a breakdown of complaints filed related to compliance issues.

Complaints Received	1
Complaints Abandoned	1

Enforcement of Statutory or Other Conditions of Rental Agreement

In 2025-2026, the Rental Office received 478 applications related to breach of statutory conditions, compared with 390 applications the previous year. (19 applications were withdrawn and 78 were resolved without a formal hearing.)

Security Deposits

The RTA sets out the requirements for a landlord to retain the security deposit or any portion of the security deposit. Note, that the Landlord has strict timelines to follow if they wish to retain all or a portion of the security deposit. The Landlord must make application to the Rental Office within 15 days after the date the tenancy ends or face consequences of non-compliance, which include paying the tenant double the amount of the security deposit and forfeiting the right to file for the security deposit. Last fiscal, in 2024-25, the Rental Office received a record 300 applications for a determination of the security deposit, compared with 200 applications the previous year and 56 the year before that. In fiscal 2025-2026 this trend continued with 278 applications received; 94 from Tenants and 184 from Landlords. (3 applications were withdrawn and 36 were resolved without a formal hearing.)

Termination of the Tenancy Agreement

Termination of the tenancy agreement requires proper notice and is allowed only for the reasons (otherwise known as "cause") defined in the legislation. A tenant may dispute an eviction notice and a landlord may apply to have the tenant evicted by the Sheriff if they don't move out following the eviction notice. In either case, when an application regarding termination is received, the Rental Office holds a hearing and issues a decision. In 2025-2026 the Rental Office received 211 applications for termination, compared with 142 applications the previous year. (8 applications were withdrawn and 59 were resolved without a formal hearing.)

Rent

The 2026 Annual Allowable Rent Increase was 2% with a 3% Cap for Above Allowable Rent Increases
RTA sets out a legislated formula and process to determine the Annual Allowable rent increase up to a cap of 3% per year. The 2026 Annual Allowable Rent Increase was 2%. This was the third Annual Allowable Rent Increase issued by the Director under the RTA instead of the Commission, under the RRPA. In accordance with the legislation, the Director gave public notice inviting written comments from tenants and landlords. The Director received a total of 34 submissions by the deadline of August 14, 2025; 24 from landlords and 10 from tenants.

In addition to analyzing the landlord and tenant representations, the Director also analyzed the percentage change from year to year in the All-Items Consumer Price Index ("CPI") from the period of July 2024-June 2025. The representations made by landlords and tenants were then measured against the CPI data. The Director concluded that the representations of both landlords and tenants were accurately reflected by the CPI data and used this information to come to a balanced decision.

Based upon the factors set out in the Residential Tenancy Act, including a limit of a maximum 3% increase per calendar year, the 34 written submissions from landlords and tenants, the average percentage change in CPI, and no additional factors specified in the regulations, the Director has determined that the 2026 annual allowable rent increase for all residential properties will be 2%.

Rent Increases Above the Allowable

Like the previous Act, the RTA allows landlords to make application for a rent increase above the annual allowable amount. This additional amount is capped at 3% per year. This means for the year 2026, the most a landlord can raise the rent, if their application is successful, is 5%. (2% annual allowable increase plus a maximum of 3% above the annual allowable amount).

In 2025-2026, the Rental Office received 51 applications compared to 63 applications the previous year for rent increases above the annual allowable amount.

Abandoned Personal Property

The legislation provides a process for landlords to deal with the abandoned personal property left behind by tenants after they vacate. In 2025-2026, the Rental Office received 24 applications regarding abandoned personal property, compared to 20 the previous year.

Rental Orders Issued

The Rental Office strives to deliver well-reasoned decisions in a timely manner. The number of Orders issued depends upon the number and complexity of the applications received by the Rental Office. In 2025-2026, the Rental Office issued 430 Orders, compared with 455 Orders the previous year.

Once again this year, 184 of the Orders included two or more applications heard together for a total of 614 applications heard. While the Rent Increase Above Allowable Orders declined, Security Deposit Orders remained high at 214 Orders issued. The following table shows the number of Rental Orders issued for the past five years:

	2021-22	2022-23	2023-24	2024-25	2025-26
Security Deposits	46	52	132	212	214
Termination	152	136	147	93	82
Breach of Statutory Conditions	202	265	280	275	294
Rent Increases Above the Allowable	87	88	184	59	24
Total	**487**	**541**	**618***	**455***	**430***

** 618 Orders were issued with 743 applications decided within the 618 Orders*
** 455 Orders were issued with 639 applications decided within the 455 Orders*
** 430 Orders were issued with 614 applications decided within the 430 Orders*

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2025-2026 Annual Report

PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
ÎLE-DU-PRINCE-ÉDOUARD