



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Docket PR902
Order PR25-001

IN THE MATTER of an application by
Irving Oil Limited. For changes in its propane
pricing schedule.

BEFORE THE COMMISSION

On October 8, 2025.

Pamela Williams, K.C., Chair

Kerri Carpenter, Vice-Chair

Gordon MacFarlane, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Samuel Clow*

Regulatory Services

BACKGROUND

1. This Order is made in respect of the allowable rental rate that may be charged by propane suppliers on Prince Edward Island for residential 420lb propane tanks.
2. The Commission is authorized to regulate propane tank rental rates via its legislative mandate of general supervision over the pricing of heating fuel pursuant to the *Petroleum Products Act*, RSPEI 1988, P-5.1, as held in Order P.970522-1.
3. Currently, the maximum allowable rental rate for residential 420lb propane tanks is \$91.00. This price was set by the Commission in February 2020 after seeking submissions from propane suppliers about the allowable rental rate and reviewing the costing information provided.
4. On April 1, 2025, the Commission received an application from Irving Oil Limited for an increase in the allowable rental rate for residential 420lb propane tanks. Irving requested the increase on the basis of rising cost pressures.
5. Upon receipt of Irving's application, on May 27, 2025, the Commission gave notice to all Prince Edward Island propane suppliers of the Commission's intention to review the maximum allowable rental rate for residential propane tanks, and invited the suppliers to comment and make recommendations on the allowable tank rental rate.
6. The Commission published this notice on its website on June 3, 2025.
7. Propane suppliers provided initial submissions and recommendations for proposed rates, supported by documentation and rationale, by June 27, 2025.
8. On August 18, 2025, the Commission requested further documentation and rationale from the propane suppliers to support their proposed rental rates.
9. In summary, the propane suppliers proposed the following rental rates:

| Supplier | Current Rental Rate | Proposed Rental Rate |
|---|---------------------|----------------------|
| Irving Oil Limited | \$91.00 | \$129.00 |
| Kenmac Energy Inc. (Noonan Petroleum Ltd.) | \$89.00 | \$145.00 |
| Avenir Energy Ltd. | \$80.00 | \$125.00 |
| Superior Plus Inc. | \$91.00 | \$91.00 |
| Average: | \$87.75 | \$122.50 |

10. Superior Plus Inc. confirmed that they would be making no submission as a part of this review. Therefore, the Commission has assumed Superior's proposed annual charge would remain at \$91.00.
11. The Commission calculated the average of the increased rental rates proposed by each supplier and considered this number against the costing information received.

DECISION

12. When considering a price change pursuant to the *Petroleum Products Act*, the Commission must consider whether the price is “just and reasonable”.
13. Upon review of the submissions and rationale provided by the propane suppliers, the Commission determines that the maximum allowable rental rate for residential 420lb propane tanks, per installation and per year, for all licensed propane suppliers will be \$122.50.
14. The Commission accepts the submissions of propane suppliers that the acquisition costs of residential 420lb propane tanks has increased substantially since the Commission’s last review in 2020. We also considered the increase in PEI All-Items CPI since the last price was set in February 2020. This revealed a CPI increase year over year would result in a rental rate of \$108.98 today.
15. At this time, we are satisfied that the average of the amounts requested by suppliers is an appropriate price based on the proof of costing information provided by suppliers, including the increased cost of steel and rising costs to acquire new tanks.
16. The Commission is satisfied that an increase to the propane tank rental rate is justified in order for propane suppliers to predominantly recover the acquisition costs of propane tanks.
17. Further, the maximum allowable rental rate for residential 420lb propane tanks has not been increased in over five years.
18. Therefore, the Commission is satisfied that the increase is just and reasonable.
19. As a final comment, the Commission appreciates that such costs may fluctuate over time, and therefore the Commission may vary the maximum allowable rental rates from time to time as deemed just and reasonable.

IT IS ORDERED THAT

1. **The maximum allowable rental rate for residential 420lb propane tanks, per installation and per year, for all licensed propane suppliers is \$122.50.**
2. **The approved maximum allowable rental rate will be effective January 1, 2026, and shall remain in effect until otherwise ordered by the Commission.**

3. Propane suppliers who wish to amend their existing pricing schedules, up to a maximum of \$122.50, shall file notice with the Commission and customers not less than 30 days before implementing a price change.

DATED at Charlottetown, Prince Edward Island, this 8th day of October, 2025.

BY THE COMMISSION:

(Sgd) Pamela Williams

Pamela Williams, K.C., Chair

(Sgd) Kerri Carpenter

Kerri Carpenter, Vice-Chair

(Sgd) Gordon MacFarlane

Gordon MacFarlane, Commissioner

NOTICE:

Section 58 of the *Petroleum Products Act* reads as follows:

58. Where any person has the status of a party or is an intervenor in any hearing before the Commission, he is entitled

(a) to appeal the decision of the Commission to the Court of Appeal; and

(b) to participate as a party in the hearing of an appeal.

and an appeal shall be on a question of law or jurisdiction only and be governed by section 13 of the Island Regulatory and Appeals Commission Act.

Sections 13 (1) and (2) of the *Island Regulatory and Appeals Commission Act* provide as follows:

13.(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.