

November 16<sup>th</sup>, 2017

Allison MacEwen, Director Regulatory Services  
Island Regulatory and Appeals Commission  
P O Box 577  
Charlottetown, PE  
C1A 7L1



Dear Mr. MacEwen;

The PEI Retail Gasoline Dealers Association (PEIRGDA) was re-formed in 2016 after a brief absence. The PEIRGDA executive comprises of a President, Vice President, Treasurer and Secretary. All dealers in PEI are members of the PEIRGDA. Meetings are held semi-annually with the executive and annually with all members that wish to attend. During our re-formation in 2016, the executive had decided not to formally intervene in any type of traditional retail gasoline application, however as the executive of the PEIRGDA we feel compelled to submit the facts to IRAC regarding the application for the retail gasoline license for 400 Capital Drive and how it relates to retail outlets in the vicinity and across PEI.

Within one kilometer from the proposed location there are 3 retail gasoline outlets two of which are open 24 hours. Two of those locations have some sort of food service offer with one having seating for up to 20. All three of these locations offer gasoline & diesel while one offers dispensed propane and another, dispensed furnace oil. With-in the same vicinity there are two automatic /self-service, independent car washes.

There have been many challenges in this particular area over the last couple years due to the construction of the "Cornwall By-Pass" and more to come as they will continue construction up to and including 2019. The North River Shell and North River Petro Canada has seen a median constructed in front of their business. While this has limited growth it had allowed safe and easy access to both of these sites as consumers do not have to worry about crossing multiple lanes to oncoming traffic. This new by-pass will not result in additional traffic to the proposed area but just a more convenient and safer way for people to get to point A to point B.

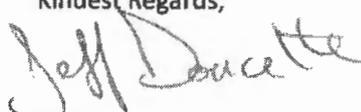
We cannot speak on behalf of the North River Petro Canada and the Queens Arms Esso as they were not in a position to share information but the Mel's North River Shell has not reached capacity as their current volume is 3.6 million litres with limited growth since the construction of the "bypass". We do trust however the commission would have access to all retail volumes in the vicinity.

With increasing operating costs due to new technologies, increased minimum wages and a declining industry existing retail dealers have smaller volumes and diminishing gross margin dollars to sustain their business. In this particular area between the three current retail licensee's (North River Shell, North River Petro Canada and Queen's Arms Esso) we feel there is not enough volume to support a 4<sup>th</sup> license without the closing of one of those existing locations mentioned. All three existing sites are modern with relevant offerings and convenient for their customers in their community. Between these three brands the consumer can collect Petro Points, Aeroplan points and Airmiles.

We did not mention the impact this application may have on outlying outlets such as Bobby Clow's, Gass's and Cornwall Quick stop as volume will have to come from somewhere as it is not a growing industry.

We hope this has been informative for the commission in reviewing the retail application for  
400 Capital Drive.

Kindest Regards,

A handwritten signature in cursive script that reads "Jeff Doucette". The signature is written in dark ink and is positioned above the printed name.

Jeff Doucette

Vice President – PEI RGDA