## INTRODUCTION

[1] This decision addresses two applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").

[2] The Landlord seeks to retain $112.45 of the security deposit for oil expenses.

[3] The Tenant seeks the return of the security deposit balance, plus interest.

## DISPOSITION

[4] The Landlord must return the remaining balance of the security deposit, including interest, to the Tenant, in the amount of $130.09, by the timeline below.

## BACKGROUND

[5] The Unit is a room with shared common facilities in a three-bedroom apartment (the "Residential Property").

[6] On July 30, 2024, the Landlord and the Tenant entered into a written fixed-term tenancy agreement for the Unit from September 1, 2024, to August 30, 2025. On August 1, 2024, the Tenant paid $550.00, which was her portion of the $1,700.00 security deposit for the Residential Property.

[7] On June 1, 2025, the Landlord, the Tenant, and two other tenants ("I.S." and "N.R.") entered into a new fixed-term tenancy agreement for the period of June 1, 2025, to July 30, 2026, for the Residential Property. Rent of $1,700.00 was due on the first day of each month, and the Tenant's portion was $550.00 per month. The Tenant's $550.00 security deposit was assigned to this tenancy agreement.

[8] On October 1, 2025, the Tenant moved out of the Unit, and the tenancy ended by mutual agreement.

[9] On October 8, 2025, the Landlord returned $437.55 of the Tenant's $550.00 portion of her security deposit. I.S. and N.R. received a full refund of their portions of the security deposit from the Landlord and are not parties to this matter.

[10] On October 8, 2025, the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking a return of the balance of the security deposit (the "Tenant Application"). The Tenant emailed a copy to the Landlord.

[11] On October 8, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the security deposit balance (the "Landlord Application"). The Landlord emailed a copy to the Tenant.

[12] On March 10, 2026, the Rental Office sent the parties notice of a tele-hearing scheduled for March 24, 2026.

[13] On March 20, 2026, the Rental Office sent the parties notice of a rescheduled tele-hearing for March 31, 2026.

[14] On March 20, 2026, the Rental Office shared a 161-page PDF evidence package with the parties.

[15] On March 31, 2026, the Rental Office sent the parties notice of a rescheduled tele-hearing for April 9, 2026.

[16] On April 9, 2026, the Landlord's representative (the "Representative"), the Landlord's witness and the Tenant joined the tele-hearing. The parties confirmed receipt of the evidence package and that all evidence submitted to the Rental Office was included in it.

## ISSUE

A. Has the Landlord established its claim against the Tenant for oil expenses?

## EVIDENCE

**The Landlord's evidence and submissions**

[17] The Representative stated that he was seeking to retain the $112.45 balance of the Tenant's security deposit to cover part of an oil expense. He stated that the oil tank was full when the Tenant moved in, and that he believed the tenancy agreement required the Tenant to fill it when she moved out. He stated that the Tenant did not fill the oil tank upon departure and that he refilled it for $662.45, and this is her expense to pay.

[18] The Representative stated that he had miscalculated the oil expense and returned $437.55 from the Tenant's $550.00 security deposit. He stated that he is only seeking to retain the remaining $112.45 from the Tenant's security deposit balance. The Landlord is not seeking compensation from I.S. or N.R.

[19] The Representative stated the oil tank was initially filled in 2012 when the Residential Property became a rental property. He stated that different tenants have come and gone from the Residential Property, and that tenants have always been required to refill the oil tank upon departure so it would be full for the next tenants.

[20] The Representative stated that, upon review during the hearing, the Tenant's tenancy agreement does not explicitly require her to refill the oil tank upon departure. However, he stated that the tenants were made aware, both in writing and via group messages, that the oil tank was to be filled upon departure. The Representative's witness, who assists the Representative with property management, stated that the tenants were told they had to refill the oil tank upon departure.

[21] The Representative submitted messages sent between the parties. On August 31, 2024, the Representative told the Tenant the oil tank had been filled by a previous tenant ("S.K.") and that the Tenant had to call to organize future oil deliveries. On October 15, 2024, the Representative sent a group message to the tenants, reminding them to set up automatic oil delivery and stating that the tank "*must be filled upon departure*."

[22] The Representative submitted a September 30, 2025, message sent to the Tenant and I.S., stating in part:

> "[A tenant] *vacated on May 31st, at which time the tank was empty from use. He covered his share of the refill ($300) and provided a receipt. At present, the tank is sitting at one-quarter. In line with your responsibility for utilities, you are required to return the tank to full prior to vacating. Each tenant has consistently covered their share at move-out, ensuring fairness for the next occupant.*"

[23] The Representative stated that N.R. partially refilled the oil tank when they moved out two months before the Tenant vacated, and that he returned N.R.'s $550.00 portion of the security deposit. The Representative stated that he also returned to I.S. their $600.00 portion of the security deposit because I.S. was not living in the rental unit during the winter and therefore would not have used much oil.

**The Tenant's evidence and submissions**

[24] The Tenant stated she is seeking the return of the balance of her security deposit. She disputed that she should be responsible for refilling the oil tank after she moved out of the Residential Property. The Tenant stated that nothing in the tenancy agreement required her to refill the oil tank upon vacating. She stated she was not notified that she had to refill the oil tank at the end of the tenancy.

[25] The Tenant stated that when she moved into the Unit, she was told that oil heat was her responsibility. She stated that the previous tenant told her the oil expense was about $20.00 per month. She stated that the tenants ran out of oil in December 2024, and the Landlord's witness notified her to get an oil account in her own name for oil deliveries.

[26] The Tenant stated that it is unfair that N.R. lived in the Residential Property without paying for heat. She also stated that it was unfair that N.R. and I.S. had their security deposits returned, but part of the Tenant's security deposit is being kept for the oil expense. The Tenant stated that there were always tenants moving in and out of the Residential Property, renting different rooms, which makes it difficult to determine how much each tenant should owe for oil.

## ANALYSIS

[27] When a party makes an application to the Rental Office, the onus is on that party to support its application with convincing evidence. With respect to the Landlord Application, it is the Landlord's onus to establish that it can retain the balance of the security deposit on the civil standard of a balance of probabilities.

[28] I find that the Landlord has not established its claim.

[29] The Representative stated the oil tank was initially filled in 2012. He stated that different tenants have come and gone from the Residential Property, and that tenants have always been required to refill the oil tank upon departure so that it would be full for the next tenants. However, the Representative also stated there were tenants, such as I.S., who did not have to pay for the oil expense.

[30] In Order LR24-58, the Island Regulatory and Appeals Commission (the "Commission") commented on a similar matter, in which a landlord was seeking compensation for utilities owed. The Commission stated:

> *"14. Attempting to apportion the expense of utilities for multiple tenants in shared accommodation is problematic at best. The Commission finds that, in order for the Landlord to recover costs in excess of the cap, the tenancy agreement must address how such costs would be apportioned among the various tenants in various units and when these costs would be payable. Such details must be complete, comprehensible and written in the tenancy agreement. That way, tenants are at least fully aware of the terms and may accept (or reject) the terms before signing the tenancy agreement. Here the tenancy agreement was silent on these matters but as the caps were stated to be monthly caps it was reasonable for the Tenants to infer that any overage would be sought and payable on a monthly basis. The Tenants then believed that the caps were not exceeded when the Landlord did not seek additional payment each month and were caught by surprise when the Landlord sought a large cumulative total at the end of the tenancy along with finally revealing his scheme of apportionment. Accordingly, the Commission will not accept the Landlord's claim against the Tenants for expenses exceeding the monthly caps."*

[31] The Representative stated that the Tenant was made aware, both in writing and via group messages, that the oil tank was to be filled upon departure. I find that the evidence establishes that the Representative did not notify the tenants in a group message until October 15, 2024, that the oil tank "*must be filled upon departure*." However, this was approximately 2.5 months after the Tenant's first tenancy agreement was signed (July 30, 2024).

[32] The evidence establishes that multiple tenants, including the Tenant, were required to share the oil expense in a shared accommodation. The evidence also establishes that the Representative often determined the oil expenses owed by each tenant upon their vacating the Residential Property. However, I find that the Representative has not sufficiently established how he fairly determined how much of the oil expense each tenant owed, as opposed to other tenants, when tenants move out.

[33] For example, the Representative stated that he returned I.S.'s portion of the security deposit because I.S. was not living in the Residential Property during the winter and that I.S. was not responsible for the oil expense.

[34] The Representative also stated that N.R. partially refilled the oil tank when they moved out, so he returned their portion of the security deposit. However, no evidence was submitted to establish how N.R.'s portion of the expense was calculated.

[35] Finally, the Representative stated the refill cost was $662.45, but after partially refunding the deposit due to a miscalculation, the Landlord now seeks to retain only the remaining $112.45. However, I find that the Landlord has not sufficiently established how he determined the Tenant owed $662.45 of the oil expense.

[36] Similar to the Commission's finding, I find that apportioning oil expenses among multiple tenants in shared accommodation is problematic. I also find that a tenancy agreement must address how such expenses would be apportioned among the tenants and when they would be payable. These details must be complete, comprehensible, and set out in the tenancy agreement. That way, tenants are at least fully aware of the terms and may accept (or reject) the terms before signing the tenancy agreement.

[37] In this case, I find that there is insufficient evidence that the Tenant was notified before signing the tenancy agreement that she would be required to refill the oil tank upon vacating or how the oil expenses would be apportioned among tenants in the Residential Property. Additionally, I find that there is no clause in the tenancy agreement requiring the Tenant to refill the oil tank upon vacating or any explanation of how oil expenses would be apportioned among tenants.

[38] The Landlord Application is denied and the Tenant Application is allowed.

[39] The Landlord must return the remaining balance of the security deposit, including interest, to the Tenant by the timeline below.

[40] My calculations are as follows:

| Item | Amount |
|---|---|
| Security deposit paid Aug. 1/24 | $550.00 |
| Interest on $550.00 (Aug. 1/24 – Oct. 8/25) | $15.76 |
| Security deposit returned Oct. 8/25 | ($437.55) |
| Interest on $112.45 (Oct. 9/25 – May 26/26) | $1.88 |
| Total | $130.09 |

## IT IS THEREFORE ORDERED THAT

1. The Landlord must return the remaining balance of the security deposit, including interest, to the Tenant, in the amount of $130.09, by June 26, 2026.

**DATED** at Charlottetown, Prince Edward Island, this 26th day of May, 2026.

(sgd.) Mitch King

**Mitch King**
**Residential Tenancy Officer**

## NOTICE

**Right to Appeal**

This Order can be appealed to the Island Regulatory and Appeals Commission (the "Commission") by serving a Notice of Appeal with the Commission and every party to this Order within **20 days of this Order**. If a document is sent electronically after 5:00 p.m., it is considered received the next day that is not a holiday. If a document is sent by mail, it is considered served on the third day after mailing.

**Filing with the Court**

If no appeal has been made within the noted timelines, this Order can be filed with the Supreme Court of Prince Edward Island and enforced as if it were an order of the Court.