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November 27, 2025

EMAIL hcr@bcmab.ca

Beverage Container Management Board
Attention: Brent Campbell, Director, Registrations and Manufacturer Policy
1165 Clark Builders Place
5555 Calgary Trail NW
Edmonton, Alberta
T6H 5P9

Dear Sir:

Re: 2025-2026 Handling Commission Review

Please find attached the Information Requests prepared on behalf of the ABCRC and ABCC for filing with respect to the above noted matter.

Yours truly,
REYNOLDS MIRTH RICHARDS & FARMER LLP

PER:



SHAUNA N. FINLAY
SNF/maj
Attachments

cc: Clients

5764330.docx

2025-2026

2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 1

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: Cost and Revenue Trends

Requests:

- a. ABCRC/ABCC would like to understand longer term trends in depot costs and revenues. Please provide the Phase I and Phase II spreadsheets that correlate to and support every handling commission update or change from 2009 to 2024. For any handling commissions that were the result of a negotiated settlement, if spreadsheets are not available, please provide a list of all changes that were agreed to in order to calculate the handling commission that were approved as part of the negotiated settlement.
- b. For each handling commission update or change, please provide a table that indicates the period of time each set of handling commissions were effective.

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 2

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: Overhead Labour – Correlation to operating hours

- Requests:**
- a. Phase I report page 16, how are hours of operation confirmed? Please explain fully.
 - b. Please provide charts similar to the Phase I Report, Figure 11 that shows the ratio of Overhead Labour Costs divided by Depot Operating Hours on the y-axis and volume of the x-axis. One chart for each of:
 - i. As Accepted data
 - ii. As Adjusted data
 - iii. Total System data
 - iv. Target System data
 - c. For Depots with Overhead Labour Costs divided by Depot Operating Hours that are outside 2 standard deviations, please investigate and provide the rationale for accepting the data outliers.
 - d. Please provide charts similar to Phase I Report, Figure 11 that shows the ratio of Overhead Labour Hours divided by Depot Operating Hours on the y-axis and volume of the x-axis. One chart for each of:
 - i. As Accepted data
 - ii. As Adjusted data
 - iii. Total System data
 - iv. Target System data
 - e. For Depots with Overhead Labour Hours divided by Depot Operating Hours that are outside 2 standard deviations, please investigate and provide the rationale for accepting the data outliers.
 - f. Please explain how the DCA evaluates Additional Operating Hours (as defined in the bottom of the Phase I Report, page 32) to determine if the quantum of Additional Operating Hours reported is reasonable and should be included as a system cost.
 - g. Please provide charts similar to Phase I Report, Figure 11 that shows the ratio of Overhead Labour Hours divided by Depot Operating Hours plus Additional Operating Hours on the y-axis and volume of the x-axis. One chart for each of:
 - i. As Accepted data

- ii. As Adjusted data
- iii. Total System data
- iv. Target System data
- h. For Depots with Overhead Labour Hours divided by Depot Operating Hours plus Additional Operating Hours that are outside 2 standard deviations, please investigate and provide the rationale for accepting the data outliers.
- i. Phase I report page 22 – Overhead Labor costs - for uncompensated hours worked by family members, how is the number of overhead labour hours validated? Please explain fully.
- j. Phase I report, page 34:

“As shown above, unprofitable depots pay \$0.35 per hour less than profitable depots for overhead labour. However, a portion of the loss experienced by unprofitable depots may be attributed to the incurring higher costs per container for overhead labour. Unprofitable depots are paying an average of 1.04 cents per container, whereas profitable depots are paying 0.74 cents per container.”

Please explain in greater detail why unprofitable depots have higher unit overhead labour costs and why Registered Charity depots have the highest Overhead Labour rate. Please provide all analyses the DCA has undertaken to ensure that overhead labour costs are reasonable and should be included in the revenue requirement.

Response:

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**2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)**

IR #: ABCRC/ABCC 3

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: 2024 UCA Information Review and Verification

- Requests:**
- a. On page 10 of the Phase I report (pdf page 13) the DCA lists “seven data verification flags” to identify data outliers in the as reported data. Please provide a table providing the following information for each of the “seven data verification flags”, for each category of depot (small, medium and large depots):
 - i. The average cost per hour or container as reported
 - ii. The standard deviation per hour or container as reported
 - iii. The number of depots where the as reported data verification flag was greater than 2 standard deviations
 - iv. The number of depots where the as reported data verification flag was greater than 2 standard deviations and the DCA made an adjustment to the as reported data
 - v. The sum of the DCA adjustments (in dollars) for depots where the data flag was more than 2 standard deviations and the DCA made an adjustment
 - vi. The average cost per hour or container as accepted
 - vii. The standard deviation per hour or container as accepted
 - b. Please provide a written summary of the most common types of adjustments, and the adjustments with the largest dollar values, that the DCA investigated and adjusted the as reported data stemming from the review of the seven data flags.

Response:

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 4

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: Depot Statistics over Time

Requests:

- a. ABCRC/ABCC would like to understand longer term trends in depot operations. Please provide the following for each handling commission update, change or review process from 2009 to 2024, where the DCA has the data, and provide in spreadsheet format (data can be provided in a spreadsheet that would allow for these tables and figures to be recreated):
 - i. Table 3 –Study System (Including Exempt Depots) Depot Volume Summary
 - ii. Table 4 – Depot Operational Statistics
 - iii. Phase I Report, Figure 5 – Reported Operating Hours Per Week
 - iv. Table 8 – As Reported Depot Operating Hours
 - v. Table 13 – As Reported / Accepted / Adjusted Miscellaneous Revenue
 - vi. Table 17 – As Adjusted T4 / Owner Labour Statistics By Job Class
 - vii. Table 18 – As Adjusted Contract / Temporary Labour Statistics by Job Class
 - viii. Table 19 – As Adjusted T4 / Owner Labour Statistics By Work Type
 - ix. Table 20 – As Adjusted Contract / Temporary Labour Statistics by Work Type
 - x. Table 22 – As Adjusted Direct Labour Benefits
 - xi. Table 23 – As Adjusted Direct Labour Statistics
 - xii. Table 32 – BCMB Measured Square Footage
 - xiii. Table 34 – Total System Building Square Footage Cap Calculation
 - xiv. Table 36 – As Adjusted Building Costs
 - xv. Table 38 – As Adjusted Vehicle and Equipment Cost Summary
 - xvi. Table 40 – As Adjusted Leased Asset Lease Cost Category
 - xvii. Table 43 – As Adjusted Vehicle Cost by Use Type
 - xviii. Table 44 – As Adjusted Vehicle Costs
 - xix. Table 46 – As Adjusted Vehicle Lease Costs by Use Type

- xx. Table 48 – As Adjusted Equipment Costs by Depot Size Classification
- xxi. Table 50 – As Adjusted Overhead Cost by Depot Size Classification
- xxii. Table 51 – As Adjusted Collection Costs
- xxiii. Table 53 – Application of Offsite Collections Cost Cap

Response:

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 5

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: Miscellaneous Revenue

- Requests:**
- a. Referring to Table 13, please explain in detail the rational for removing most of the Cardboard Sales revenue from the As Reported Values.
 - b. Please provide the following statistics related to Cardboard Sales:
 - i. Number of small, medium and large depots that reported Cardboard Sales revenue
 - ii. Number of small, medium and large depots that had Cardboard Sales revenue adjusted
 - iii. The quantum in dollars of Cardboard Sales revenue that was adjusted for each of the small, medium and large depots
 - c. On the bottom of page 2 of the Phase I report (pdf page 23) the DCA notes that “Fifty-four depots reported costs related to interest and investments.” and “Consistent with the 2019/20 HCR and later Annual Update Reports (AUR), these costs were removed from the calculations of the Revenue Requirement. This methodology has been applied, removing \$1,091,815 from the As Adjusted system.” Please explain in detail:
 - i. How “costs related to interest and investments” are related to Miscellaneous Revenue (why is this identified in this section of the Phase I report)?
 - ii. Where “removing \$1,091,815 from the As Adjusted system” is identified in the Phase I Schedules spreadsheet.
 - iii. What predicated the change in treatment of As Reported “costs related to interest and investments” in the 2019/20 HCR process?
 - d. Referring to Table 13, please explain in detail the types of Other Revenue removed and the rational for removing Other Revenue.
 - e. Please provide the following statistics related to Other Revenue:
 - i. Number of small, medium and large depots that reported Other Revenue
 - ii. Number of small, medium and large depots that had Other Revenue adjusted

- iii. The quantum in dollars of Other Revenue that was adjusted for each of the small, medium and large depots

Response:

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**2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)**

IR #: ABCRC/ABCC 6

Reference: 2025.10.29.MNP Phase I Report

**Issue/Sub-
Issue:** Insurance Proceeds

Requests:

- a. On page 22 of the Phase I Report (pdf page 25) the DCA notes “**Insurance proceeds:** Two depots received insurance payments for damage done to their facility, for which the expenses/repairs are included in the UCA costs.” Please provide:
 - i. An estimate of the quantum of the expenses/repairs that were included in the UCA costs
 - ii. Where the expenses/repairs were classified (e.g. Building Costs) and where the costs identified in the Phase I Schedules spreadsheet.
 - iii. Steps the DCA undertook to ensure that the expenses/repairs costs were properly incurred system costs that should be included in the revenue requirement.

Response:

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 7

Reference: 2025.10.29.MNP Phase I Report

Issue/Sub-Issue: Data Outliers

- Requests:**
- a. On Phase I Report, Figure 6 there are 2 Large Depots with significantly more FTEs than other depots with similar annual values. Please investigate and advise why the large number of labour hours for these two depots were accepted As Adjusted labour costs.
 - b. On Phase I Report, Figure 7 there are 2 Large Depots with significantly more As Adjusted Direct Labour hours than other depots with similar annual values. Please investigate and advise why the large number of direct labour hours for these two depots were accepted As Adjusted labour costs.
 - c. On Phase I Report, Figure 9 there is 1 Small Depot with significantly higher As Adjusted Direct Labour Rate (over \$45/h) compared to other depots with similar annual values. Please investigate and advise why the direct labour costs for this depot were accepted As Adjusted labour costs.
 - d. On Phase I Report, Figure 9 there are 3 other Depots with higher As Adjusted Direct Labour Rate (over \$32/h) compared to other depots with similar annual values. Please investigate and advise why the direct labour costs for these depots were accepted As Adjusted labour costs.
 - e. On Phase I Report, Figure 8 there is 1 Small Depot with lower As Adjusted Direct Labour Rate (under \$15/h min. wage). Please investigate and advise why the direct labour costs for this depot were accepted As Adjusted labour costs
 - f. On Phase I Report, Figure 10 there are 2 Large Depots with higher As Adjusted Overhead Labour Hours (over 10,000/y). Please investigate and advise why the overhead labour costs for these depots were accepted As Adjusted labour costs.
 - g. On Phase I Report, Figure 10 there is 1 Large Depots with no As Adjusted Overhead Labour Hours. Please investigate and advise why no overhead labour costs for this depot included in the accepted As Adjusted labour costs.
 - h. Phase I Report, Figure 13 - please explain why the largest depots in Volume Cluster 20 appear to have at least two full time managers /

owners for every operating hour compared to slightly smaller depots in Volume Clusters 16 to 19 that have about 1.5 full time managers / owners for every operating hour.

Response:

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 8

Reference: Off-Site Collection

Issue/Sub-Issue: Reporting of Revenues and Costs

- Requests:**
- a. Please provide a spreadsheet that details how the off-site collection cap has been calculated each year since its implementation in 2010 (Phase I Report p. 56)
 - b. Please provide all data or estimates of the volume of containers collected off-site for each year since the policy was enacted in 2010.
 - c. For third party services like Skip the Depot¹ that organize off-site collections with depots, where are the costs associated with these third-party services reflected in the UCAs and Phase I report?
 - d. For third party services like Skip the Depot that organize off-site collections with depots, where are the deposit revenues associated with these third-party services reflected in the UCAs and Phase I report?
 - e. If a depot undertakes off site collections and the full deposit amount is not returned to the consumer, for whatever reason, where is the incremental revenue reflected in the UCAs and Phase I report?
 - f. Does the DCA have any data or estimates of the volume of containers that are collected by Depots through third-party collection services like Skip the Depot.
 - g. For containers provided to depots in bulk from municipal programs like blue box collections, please provide any data or estimates the DCA has on the volume of containers provided from these programs.
 - h. For containers provided to depots in bulk from municipal programs like blue box collections, please provide any data or estimates the DCA has on the efficiency gains depot have experienced from receiving containers pre-sorted and being able to process containers during off peak hours.

Response:

¹ [The Bottle Depot That Comes To You | SkipTheDepot | Bottle Pick up for Home, Business and Charity](#)

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 9

Reference: 2025.10.29 MNP Phase I Report, 5.4.1 Vehicle Costs

Issue/Sub-Issue: Vehicle Costs and Personal Use

- Requests:**
- a. On p. 46 (pdf p. 49), the DCA states:
“The DCA made changes to allocations provided by depots when the type of vehicle reported would not typically be used for the indicated activity (eg. depots reporting BMWs for offsite collections).”
 - (i) What steps did the DCA take to verify that even if a vehicle was a truck or van it was properly being used for offsite collection purposes? Please explain fully and provide the quantum of all adjustments by Volume Cluster.
 - (ii) Did the DCA evaluate the reasonableness of the cost of features and models for vehicles used in offsite collections? For example, if a passenger truck was deemed to be a system cost was the truck of a type more commonly used for off-site collection or as a passenger vehicle? Please explain fully.
 - b. On p. 45 (pdf p. 48), the DCA states:
“As shown in the table above, 6% of the cost was allocated by depots and the BCA to personal use, . . .”
 - (i) What evaluation or analysis did the DCA undertake to determine that 6% was a reasonable and likely percentage of personal use? Please explain fully the evaluation or analysis process and please provide any statistics or sources relied upon.
 - (ii) How did the DCA verify that 6% was not an unreasonably low or high percentage to accept for personal vehicle use? Please outline the verification process or analysis undertaken and please provide any information or documents (without providing any confidential information) relied upon to come to this conclusion. Please explain fully and provide the quantum of all adjustments by Volume Cluster.

Response:

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2025-2026 Handling Commission Review Information Requests to: Data Collection Agent (MNP)

IR #:	ABCRC/ABCC 10
Reference:	2025.10.29 MNP Phase I Report, 5.4.2, Equipment Costs, p. 49 (pdf p. 52)
Issue/Sub-Issue:	Adoption of Automation Equipment
Requests:	<p>In the last paragraph of p. 49 (pdf p. 52), the DCA states: <i>“... the higher equipment costs could primarily be attributed to significant adoption of automation equipment, specifically for larger depots.”</i></p> <ul style="list-style-type: none">a. Has the DCA undertaken any analysis on the correlation between the depots who have the highest maintenance expense (i.e., from automation equipment) and the depots who have the lowest labor time per container? Please explain fully and provide the results of any analysis.b. How has the DCA verified that the increase in As Adjusted total equipment costs <u>is</u> primarily attributable to the adoption of automation equipment, especially for larger depots? Please explain fully. If this has not been verified, please explain fully why not?c. If the DCA has verified that higher equipment costs are attributable to the adoption of automation equipment, has the DCA identified a reduction in FTEs at such larger depots? For example, has the DCA evaluated and identified a reduction in the seconds per container handling time at large depots? Please explain fully and provide the results of any analysis undertaken by the DCA.d. Does the DCA agree that investment in automation equipment should lead to a reduction in FTEs? Please explain fully. If the DCA does not agree, please explain why not.e. If there has not been an increase in efficiency, has the DCA questioned or evaluated the reasonableness of allowing such automation investments into the revenue requirement? Please explain fully. If yes, please provide the results of any evaluation. If not, please outline why this type of evaluation has not been undertaken.f. If the higher equipment costs are not attributable to automation equipment investments, has the DCA determined any other factors or equipment that has caused the increase? What are they? Please explain fully.g. Phase I report, Table 23 –Average Time Per Container (s/container) is higher for larger depots and larger depots tend to have higher

investments in automation. Please provide any analysis undertaken to explain this trend.

h. Please provide table similar to Table 23 combining all labour types.

Response:

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2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)

IR #: ABCRC/ABCC 11

Reference: 2025.10.15.Volume.Forecast.Update.DCA

Issue/Sub-Issue: Volume Forecast

- Requests:**
- a. Why are the “Steam Whistle, Miller Genuine Draft, Sleemans, Moosehead – Returns” volumes not forecast is the same way as the other container streams (i.e., why are there values in cells AC293: AC301 instead of formulas)?
 - b. Please provide the resulting four error measures for each container stream for both the return volume forecast and the return rate forecast, for each of the three test periods (as described on page 58 of the Phase I report).
 - c. Please provide the resulting volume forecasts for each container stream for both the return volume forecast and the return rate forecast, and the actual volumes, for each of the three test periods (as described on page 58 of the Phase I report).

Response:

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**2025-2026 Handling Commission Review
Information Requests to:
Data Collection Agent (MNP)**

IR #: ABCRC/ABCC 12

Reference: 2025.10.03.Indices.Report.CPI.Forecast.July.2025.CBOC

**Issue/Sub-
Issue:** CPI Forecast

Requests:

- a. Please provide correspondence from the DCA to the CBOC outlining instructions to the CBOC for the preparation of the CPI forecast.
- b. Please provide any correspondence from the CBOC to the DCA that may have accompanied the CBOC's forecast spreadsheet.
- c. Please provide or have the CBOC provide a detailed explanation of the forecast methodology and calculations they used to develop their forecast.
- d. Please provide an internet link to the Statistics Canada index data the CBOC used.

Response: