



Phase I Report

Revision 01

Prepared for Beverage Container Management Board

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1. Executive Summary

The Beverage Container Management Board (BCMB) has retained MNP as the Data Collection Agent (DCA) for the beverage container recycling industry in Alberta. In addition to ongoing support of BCMB initiatives, there are two major activities that MNP completes as part of this role. The major DCA activities are collecting, summarizing, and analyzing annual survey data submitted by depots (see **Section 2.3 – UCA Data Collection Process** for further details) and supporting Handling Commission Review (HCR) processes. This report describes the results of these activities.

Since the last (2019/2020) HCR, there have been several changes to both the data collection process and how Revenue Requirements and Handling Commissions were calculated, as follows:

- As part of a continuing improvement process, the DCA, in collaboration with the BCMB and ABDA, has updated the Uniform Code of Accounts (UCA) each year to make data collection more relevant and user friendly. The 2024 UCA has evolved since 2018 to collect different data in the following ways:
 - Separating vehicle and equipment data collection sections to collect more specific information about the vehicles, equipment, and how they were used;
 - More clearly defining and/or separating overhead cost categories to better align with depot operations and language, including insurance categories;
 - Adding and/or splitting out Miscellaneous Revenue categories to collect more specific data, such as COVID Subsidies and several recycling fee categories; and
 - Adding validation tables on each section of the UCA to help depots validate their UCA data more easily.
- The DCA continued to apply and refine data verification flags to identify outliers against defined criteria. Data identified as an outlier was reviewed, discussed with the depot, and changed when it was deemed that revisions would be more accurate.
- Effective 2021, the BCMB Board passed a series of by-law and policy amendments impacting Revenue Requirement and Handling Commission calculations as follows:
 - Removal of BCMB Fees from overhead costs;
 - Implementation of a Pre-Tax Return Margin;
 - Application of Return Margin to revenues instead of expenses; and
 - Implementation of Depot Viability Handling Commissions (DVHC).
- Effective 2024, the Indices Report was redefined in the Handling Commission Bylaw as “the most recent Alberta Consumer Price Index forecast published quarterly by the Conference Board of Canada, or such other Alberta consumer price index forecast(s) as the DCA, in its sole discretion, considers equivalent and appropriate to use in forecasting Direct labour, building, equipment, and vehicle and overhead costs for the purpose of a Handling Commission Review and all annual adjustments to the next HCR.” This is a departure from the previous approach, which had entailed engaging an Indices Expert to determine separate indices for each depot cost category, each year.

This report has been developed to support the 2025/2026 HCR process and consists of analyses completed

on the 2024 data collected from depots.

The key results of the 2025/2026 HCR processes are as follows:

- Total fiscal year 2024 volume was 2.17 billion containers.
- 209 of the 221 active depots completed a full UCA submission. These 209 depots constitute the Study System.
- The BCMB's Offsite Collections Policy has been triggered, removing a total of \$1.3 million.
- Throughout this report we have grouped depot costs into seven cost categories. Based on our adjustments, calculations, and the application of BCMB policies described throughout, the Target Year Costs for each category are as follows:
 - Direct Labour: \$42.6 million;
 - Collector Labour: \$2.3 million;
 - Overhead Labour: \$18.5 million;
 - Building: \$27.2 million;
 - Equipment: \$8.1 million;
 - Vehicle: \$4.4 million; and
 - Overhead: \$14.7 million.
- The Total System Revenue Requirement for the Target Year ending May 1, 2026 is \$140.4 million. This represents a 8.3% year-over-year increase to the Revenue Requirement. The Revenue Requirement calculation is summarized in **Table 1** below.

Table 1 – Target Year Revenue Requirement Calculation

Total Amount	
Total System Operating Expenses	\$ 117,902,471
Pre-Tax Total Return	\$ 22,859,649
Miscellaneous Revenue	\$ (313,032)
Revenue Requirement	\$ 140,449,088

The distribution of the Revenue Requirement results in an average Handling Commission of 6.112 cents per container. This compares with 5.645 cents per container for Handling Commission rates calculated in the 2024 AUR, a 8.3% increase.

2. Introduction

2.1 Industry Background

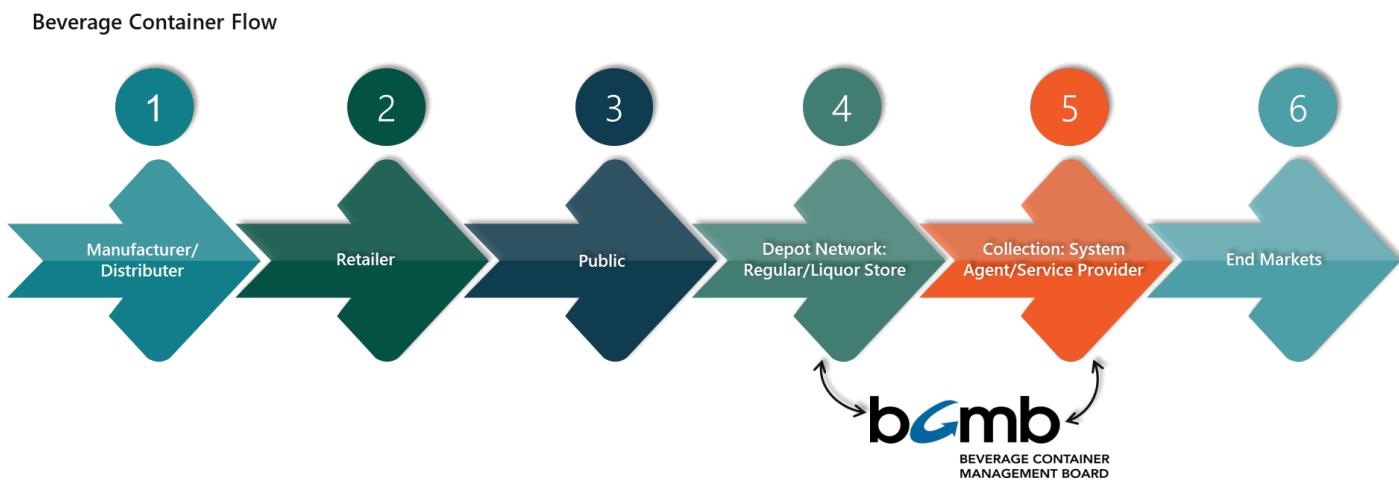
The Beverage Container Management Board is responsible for regulating Alberta's beverage container recycling system and leading the development of policies and programs that enable the efficient and effective recycling of beverage containers in Alberta.¹ Through its regulatory function as a Delegated Administrative Organization (DAO) accountable to Alberta Environment and Protected Areas (AEPA), the BCMB supports AEPA's objective of "working to protect and enhance the environment and ecosystems throughout the province, while supporting economic prosperity, quality of life and a sustainable future for Albertans, positioning Alberta as a leader in environmental impact."²

Beverage container recycling serves to support a circular economy by reducing waste through the reuse and recycling of beverage containers. In addition to environmental benefits, Alberta's beverage container recycling system produces meaningful economic and social benefits, including employment of over 2,500 Albertans and contributions to charitable organizations and other community groups.³

System performance is broadly measured using collection rate as the key performance indicator. Other performance indicators include transportation metrics (kilometers driven, number of loads) and material recycled (tonnes diverted from landfill).⁴

The beverage container flow is depicted in **Figure 1** below.

Figure 1 – Beverage Container Flow



A bottle depot is a business that purchases used registered containers from customers and then resells them to the Collection System Agent (CSA) and the Collection Service Providers (CSPs) who then recycle or reuse

¹ From BCMB's 2024 annual report

² Alberta Environment and Protected Areas 2024-2027, p. 49

³ From BCMB's 2024 annual report

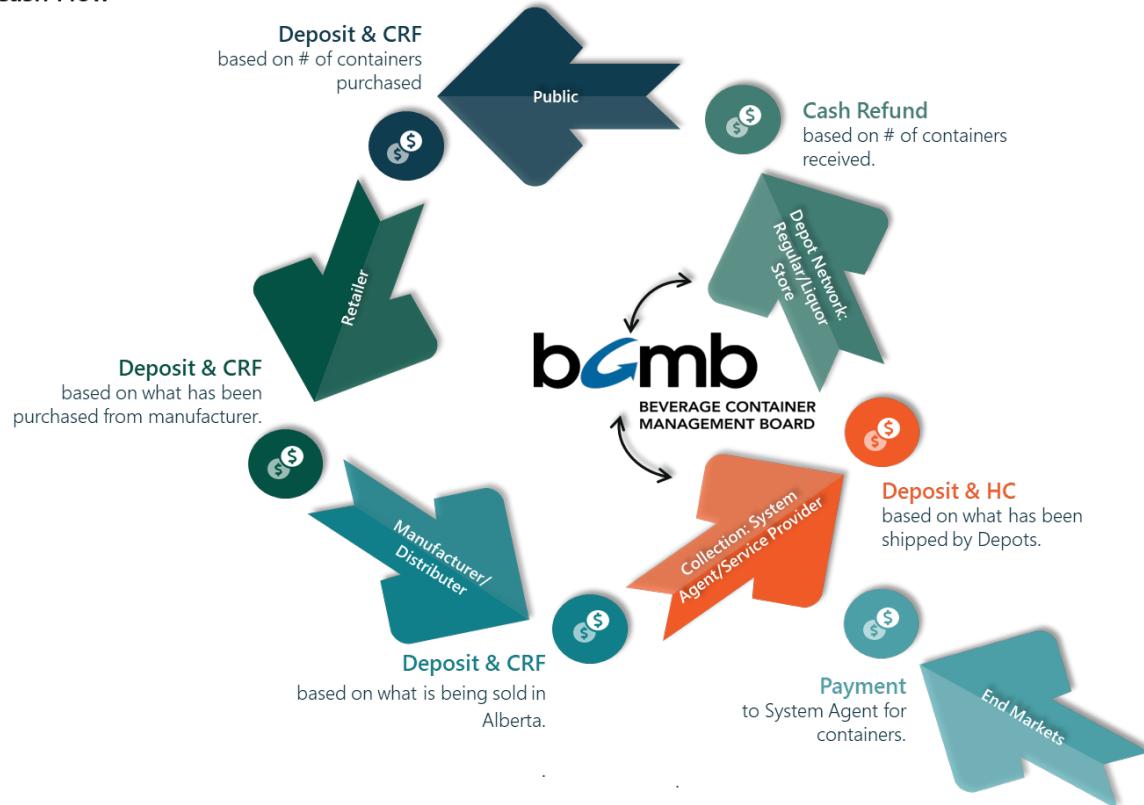
⁴ From BCMB's 2024 annual report

the containers. In 2024, the Alberta bottle depot industry consisted of 221 Universal Bottle Depots. Alberta operates as a 'deposit jurisdiction'. When a retailer purchases a beverage container from a manufacturer, the retailer must pay a container deposit and a Container Recycling Fee (CRF). Both are directly passed on to the end use customer as part of the retail sales transaction. For non-refillable containers the CRF, plus unredeemed deposits, and the value of the materials recycled pays for the recycling costs of the container, including the handling commissions paid to the depot and the CSA costs.

Upon return of the empty registered container to a depot, the depot pays the customer the full deposit that was initially paid to the retailer when the product was purchased. The depot then sells the registered container to the CSA for the same deposit amount and a handling commission. The handling commission is the depot's compensation for handling the registered container. The remainder of the CRF and unredeemed deposits, if any, are retained by the CSA to support system operations. **Figure 2** below depicts the industry's cash flow cycle.

Figure 2 – Beverage Recycling Industry Cash Flow

System Cash Flow



The handling commission for each container is set by the process laid out in the BCMB's Handling Commission By-law. As stated in the By-law, the purpose of handling commissions are as follows:

- To provide sufficient funds to enable depots as a group to recover prudently incurred costs, expenses, and taxes and to earn a fair pre-tax return;
- To maintain a viable depot industry;
- To minimize the net cost of handling commissions on Manufacturers and end-use consumers and any cross-subsidization between different container streams;

- To share the benefits from more efficient handling or processing technologies implemented through the cooperation of manufacturers and depots, or from significant additions of new registered containers, or from significant increases in volumes of certain types of existing containers equitably between the manufacturers and the depots;
- To support the accessibility of Albertans to depots in rural areas;
- To recognize that cost per container is higher for Depots that process lower container volumes than for Depots that process higher container volumes; and
- To maximize beverage container return rates.⁵

Handling Commission Reviews are conducted when initiated by the BCMB Board (the Board) in accordance with the Handling Commission Review By-law at minimum every six years. A Handling Commission Review was initiated by the Board in February 2025 at which point the DCA was directed to prepare this report. The Handling Commission Review By-law states that this report shall include the following:

- The relevant data collected by the DCA from the Uniform Code of Accounts (UCA)⁶, organized and analyzed as appropriate;
- Where the data collected by the DCA from the UCA has been adjusted, an explanation as to how and why that data has been adjusted;
- The DCA's opinion as to the appropriate Revenue Requirements and Container Stream Cost Allocation for the 12-month period up to and including the Target Date;
- The basis for the DCA's opinion with respect to the Revenue Requirement and container stream cost allocation including any facts, assumptions or third-party reports or opinions relied upon and copies of any written reports relied upon; and
- Confirmation that the DCA has applied the relevant BCMB Handling Commission policies and where applicable, explanations as to how the BCMB Handling Commission policies have been applied.

2.2 BCMB By-laws, Procedures, and Policies

The BCMB is regulated by a series of by-laws and policies. The BCMB's Handling Commission By-law outlines the processes to be followed during an HCR. The Handling Commission By-law sets out high level direction on how Handling Commissions will be determined. In summary, the By-law has provisions for the following to be used in the derivation of the Revenue Requirement and Handling Commissions:

- Determination of building sizes;
- Use of deemed lease rates to determine building costs;
- Use of a variable rate structure with no fixed rate component;
- The Depot Viability Handling Commission (DVHC) shall be 1.5 cents for the first 1.5 million non-refillable containers of each depot, starting January 1st each year;
- Fair return shall be determined in accordance with the Return Margin Methodology Policy that has been approved by the Board; and
- The Revenue Requirement shall be calculated on a pre-tax basis.

The specific parameters of the HCR process are contained in the following BCMB policies:

- Depot Building Deemed Lease Rate Policy⁷
- Depot Building Size Cap Policy⁸

⁵ 2024.11.20.Handling.Commission.Bylaw.BOARD.APPROVED.rates.May1_2025.pdf, Section 4

⁶ HCR 2025/2026 document 29 - 2025.10.03.2024.UCA.Template.DCA

⁷ 2018.11.07.Depot.Building.Deemed.Lease.Rate.Policy.BOARD.APPROVED

⁸ 2018.11.07.Depot.Building.Size.Cap.Policy.BOARD.APPROVED

- Depot Manager Cost Determination Policy⁹
- Handling Commission Rate Setting Policy¹⁰
- Offsite Collection Policy¹¹
- Return Margin Methodology Policy¹²
- Time and Motion Report Policy¹³

Under the direction of the By-law and policies mentioned above, the DCA procured four external reports. Three of these reports were developed by experts selected via a Request for Proposal (RFP) process with input from the Registered Participants on each RFP document: the Return Margin Expert Report¹⁴, the Real Estate Expert Report¹⁵, and the Time and Motion Study Report¹⁶. The proposals were reviewed by a DCA review committee, and a successful proponent was selected based on the criteria in each respective RFP. The experts executed consulting services contracts with the DCA to provide the requested reports. The fourth external report, the Indices Report¹⁷, was the quarterly Alberta Consumer Price Index forecast published in July 2025, the most recent publication of this report.

2.3 UCA Data Collection Process

As part of the ongoing work of the DCA, MNP prepared and sent UCA documents to all 221 Alberta depots active in 2024. The UCA package included the following components:

- A cover letter email that included filing deadlines and document requirements;
- The 2024 UCA forms, which included monthly depot-specific container volumes, handling commissions, and deposit data by container stream for the depot's 12-month fiscal year period (in both Microsoft Excel and PDF formats); and
- The 2024 UCA Instruction Manual.¹⁸

For depots that had completed a previous UCA, the 2024 UCA form was prepopulated with data that is generally consistent year over year. This data included operational statistics (hours open, ownership type, number of parking stalls, number of cash registers, number of buying stations, etc.) and building square footage.

One of BCMB's reporting standards includes an exemption from filing a full UCA for depots below a container return threshold. In 2020, to ensure smaller depots were better represented in the system data collected, the exemption threshold was decreased from 2 million to 1 million containers annually. To reduce the administrative burden and associated costs of completing UCAs for smaller depots, depots with annual volumes between 1 million and 2 million have the option to have the DCA provide additional assistance in completing their UCAs.

⁹ 2018.11.07.Depot.Manager.Cost.Determination.Policy.BOARD.APPROVED

¹⁰ 2023.04.26.Handling.Commission.Rate.Setting.Policy.BOARD.APPROVED

¹¹ 2018.11.07.Offsite.Collections.Policy.BOARD.APPROVED

¹² 2023.04.26.Return.Margin.Methodology.Policy.BOARD.APPROVED

¹³ 2023.04.26.Time.and.Motion.Policy.BOARD.APPROVED

¹⁴ HCR 2025/2026 document 14 - 2025.06.02.Return.Margin.Expert.Final.Report.Concentric

¹⁵ HCR 2025/2026 document 27 - 2025.08.11.RealEstate.Expert.Final.Report.CBRE

¹⁶ HCR 2025/2026 document 2 - 2024.12.11.Time.and.Motion.Study.2024.Final.Report

¹⁷ HCR 2025/2026 document 30 - 2025.10.03.Indices.Report.Provincial.CPI.Forecast.July.2025.CBOC

¹⁸ HCR 2025/2026 document 28 - 2025.10.03.2024.UCA.Instruction.Manual.DCA

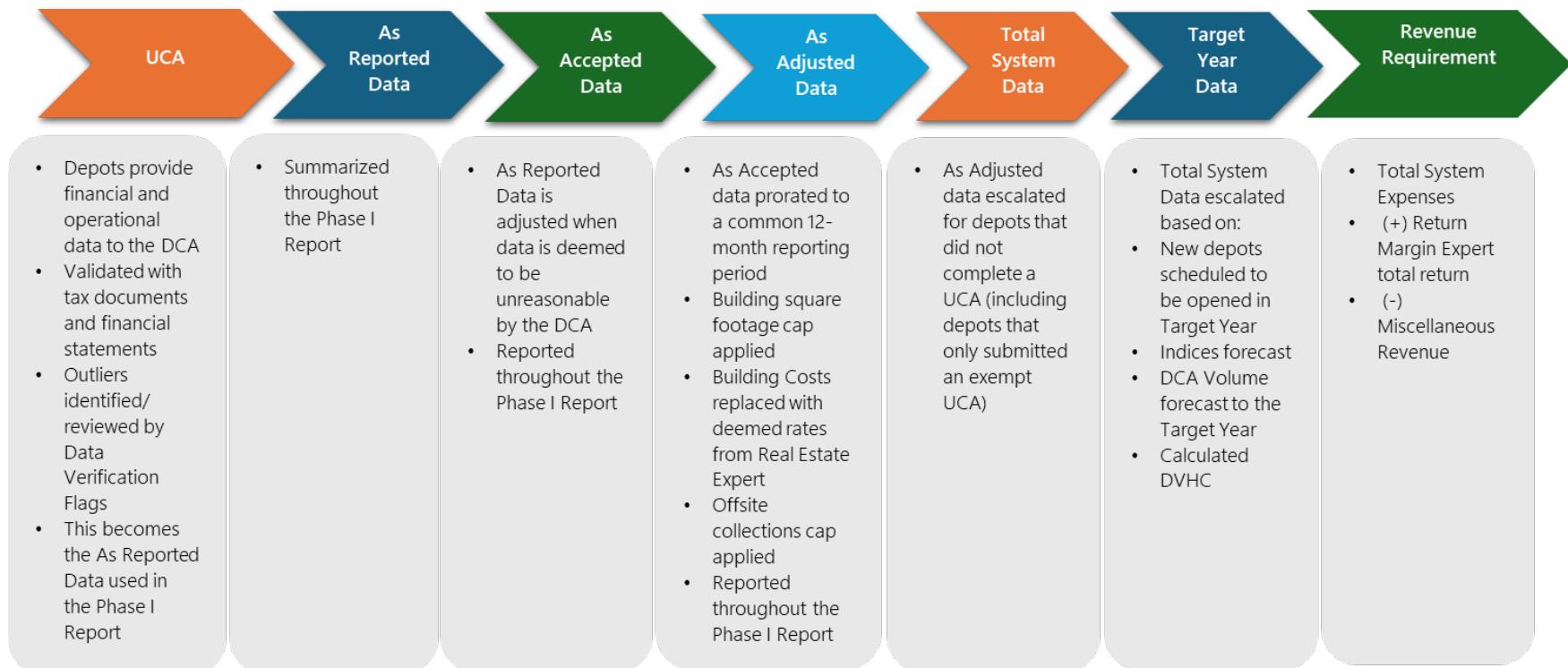
As a result of the change in exemption threshold, in 2024 a total of eight depots were exempt from completing a full UCA. These depots were instead required to complete Table 1 – Operational Statistics of the UCA and provide supporting documents including tax documents and financial statements.

2.4 Phase I and II Reports

The DCA has prepared two reports to support the HCR process: Phase I and Phase II. These summarize the DCA's UCA data collection, contracting experts and receiving expert reports identified in the Handling Commission Review By-law, and analysis for the purpose of recommending a Revenue Requirement and set of handling commissions for each of the container streams in 2024 and 2025.

The Phase I Report details the costs reported by depots and any adjustments made during the UCA review process, as well as any adjustments made during the Handling Commission Review process. Overall, the Phase I Report transforms raw UCA data (As Reported Data) to a Target Year Revenue Requirement through a series of interim steps. **Figure 3** summarizes this transformation which is described in more detail following the figure.

Figure 3 – Phase I Data Transformation



1. **Uniform Code of Accounts (UCA):** This is the 2024 financial and operational data that depots initially submit to the DCA following their respective fiscal year ends.
2. **As Reported Data:** This is the 2024 UCA data received from depots, reviewed and verified by the DCA. This data represents the 209 depots that comprise the Study System. All reported data is denoted by "As Reported".
3. **As Accepted Data:** This data represents the 2024 UCA data as revised following the review process for UCA items that were unrelated to depot operations, were deemed to be unreasonable by the DCA, or were corrected by the DCA after discussions with the Depot. Deemed changes were made in the following areas:
 - Labour hours – revised 37 UCAs
 - Labour costs – revised 74 UCAs
 - Building costs – revised 5 UCAs
 - Vehicle costs – revised 34 UCAs
 - Equipment costs – revised 34 UCAs
 - Office costs – revised 68 UCAs
 - Other costs – revised 49 UCAs
 - Miscellaneous revenue – revised 23 UCAs

The details of each of these changes are included throughout this report. This data is included for the same 209 depots that are represented in the As Reported Data.

4. **As Adjusted Data:** This data represents the As Accepted Data adjusted based on BCMB policies relating to the HCR process. These adjustments include the following:
 - Prorating costs to a common 12-month reporting period (Stub UCA Adjustment);
 - Removing As Accepted building costs and replacing them with deemed building lease rates and use costs as determined by the Real Estate Expert;
 - Removing any revenue related to subsidies or payment deferrals for the COVID-19 pandemic; and,
 - Applying the offsite collection cap as calculated by the methodology in the BCMB's Offsite Collection Policy. Note that this cap came into effect and removed a total of \$1.3 million from the system.

The details of each of these adjustments are included in the individual cost sections below.

5. **Total System Data:** Here, As Adjusted Data is prorated to account for exempt depots that do not report costs in their UCA and for depots that did not complete their UCA by the HCR Schedule's July 31 cut off. This step increases costs from the Study System (209 depots) to the Total System (i.e., all 221 depots in operation in 2024). Costs are prorated based on container volumes and the number of depots.
6. **Target Year Data:** Using the Total System Data, costs are escalated from the 2024 fiscal year period to the Target Year (the 12-month period ending on the target date of May 1, 2026.) This is done using volume and depot escalators based on the Target Year forecast presented in Section 7 – Volume Forecast and the list of new depots to be opened in the Target Year, or depots who operated in 2024 but will no longer operate in the Target Year, provided by the BCMB.

7. **Revenue Requirement:** This is calculated by adding Total System expenses plus the Pre-Tax Return Margin and subtracting miscellaneous revenue.

The Phase I Report describes the outputs of the DCA's HCR Model. This model applies the following policies: the Depot Building Deemed Lease Rate Policy, the Depot Building Size Cap Policy, the Depot Manager Cost Determination Policy, the Handling Commission Rate Setting Policy, the Offsite Collection Policy, and the Return Margin Methodology Policy to transform the As Reported Data to the Target Year Data described above. The details of each of these applications are below. The Phase II Report builds upon the Phase I Report, taking the revenue requirement and allocating it to the container streams identified in the Handling Commission Review By-law, and incorporating information provided by the Time and Motion Expert.

3. 2024 UCA Information Review and Verification

As part of the regular UCA review process, the DCA reviewed in detail each depot-submitted UCA and supporting documents for reasonability and consistency with depots' financial statements and tax documents. Once a UCA has been accepted as free from error, it is uploaded into the DCA database and is included in the As Reported Data.

A data verification flag protocol is in place as part of the review process to identify outliers for further scrutiny.

There are seven data verification flags as follows:

- Labour costs per container (run separately for manager labour, direct labour, and collector labour);
- Hourly labour rate (run separately for manager labour, direct labour, and collector labour);
- Labour seconds per container (run separately for manager labour, direct labour, and collector labour);
- Building cost per container;
- Equipment cost per container;
- Vehicle cost per container; and
- Overhead cost per container.

Each data verification flag calculates the standard deviation for each depot as compared with the Total System of depots. If a depot is outside two standard deviations, the reviewer investigates the UCA, supporting financial information, and information contained in depot communications to identify reasons for the variance from the depot's peers. If a reason is found, the information is recorded in the UCA or in database notes. If no reason is apparent, the reviewer contacts the depot to ask about the item and records the reasoning provided in the UCA or the database notes.

Once a reason has been identified and recorded, it is deemed to be either reasonable or unreasonable. If the value is deemed to be reasonable, no changes are made. If the value is deemed to be unreasonable, the reviewer creates an As Accepted version of the UCA and updates the items that are unreasonable. In determining what is reasonable, the reviewer considers historical UCAs for the depot, variability in the peer answers, and information collected during the review process. Once all of this has been completed, the DCA imports the Accepted UCA into the database, where it becomes part of the As Accepted Data.

4. UCA Survey Results – Operational Statistics

The UCA is designed to collect both operational and financial data from depots. In this section, we summarize the operational statistics collected. This information comes from UCA Table 1 – General Statistics. There are several items in this section that relate to criteria depots are required to meet based on their BCMB Beverage Container Depot Permit. These include:

- Number of parking stalls;
- Number of cash registers;
- Number of buying stations; and
- Total operating hours.

Depots also report operational information not regulated by BCMB including:

- Ownership type;
- ABDA membership;
- For profit or not for profit;
- Multi-business or single business;
- Walk-in, drive-thru, or both;
- Fiscal year end (FYE);
- Number of full-time and part-time staff; and
- Contact information for both the depot owner and the person responsible for completing the UCA.

While these items are not cost related and do not have a direct impact on the Revenue Requirement recommended as part of this report, this information has been included in the Phase I Report to give context to the sizes and differences between depots.

4.1 Return Statistics

As of 2024, there were 221 depots in the total depot system. Of these, 213 depots were required to submit a full UCA while the other eight were exempt from filing the full UCA. In 2024, there were a number of depots below the exemption threshold, or that changed ownership, excusing them from completing a 2024 UCA.

Table 2 shows the breakdown of depots in both the Study System and the Total System. To maximize the amount of real depot data reflected in calculating the Revenue Requirement and minimize the necessary adjustments and escalations, all UCAs completed by the July 31, 2025 deadline were included in the Study System.

In mid-August, nearly every active depot had submitted a completed UCA, with 209 non-exempt depots submitting a full UCA as required, eight exempt depots completing a partial UCA (Table 1 only), and four failing to submit a UCA. Of the depots without a UCA submission, two of them had closed, with the remaining two being a non-exempt depots who failed to submit their UCA. These four depots were not included in the Study System.

Table 2 – Total and Study System Comparison

	Number of Depots	Total Calendar Year Volume	Percent of Total System Volume	Average Volume
Study System	209	2,101,127,818	96.6%	10,053,243
<i>Non-Exempt Depot UCAs</i>	180	2,060,822,744	94.8%	11,449,015
<i>Exempt as Full Depot UCAs</i>	29	40,305,074	1.9%	1,389,830
Total System	221	2,174,031,039	100%	9,837,245

4.2 Operational Statistics

Most of the information in this section is consistent year over year, with most changes relating to operational hours. Aside from the two depots that closed and the two non-compliant depots, every depot completed this section of the UCA in full.

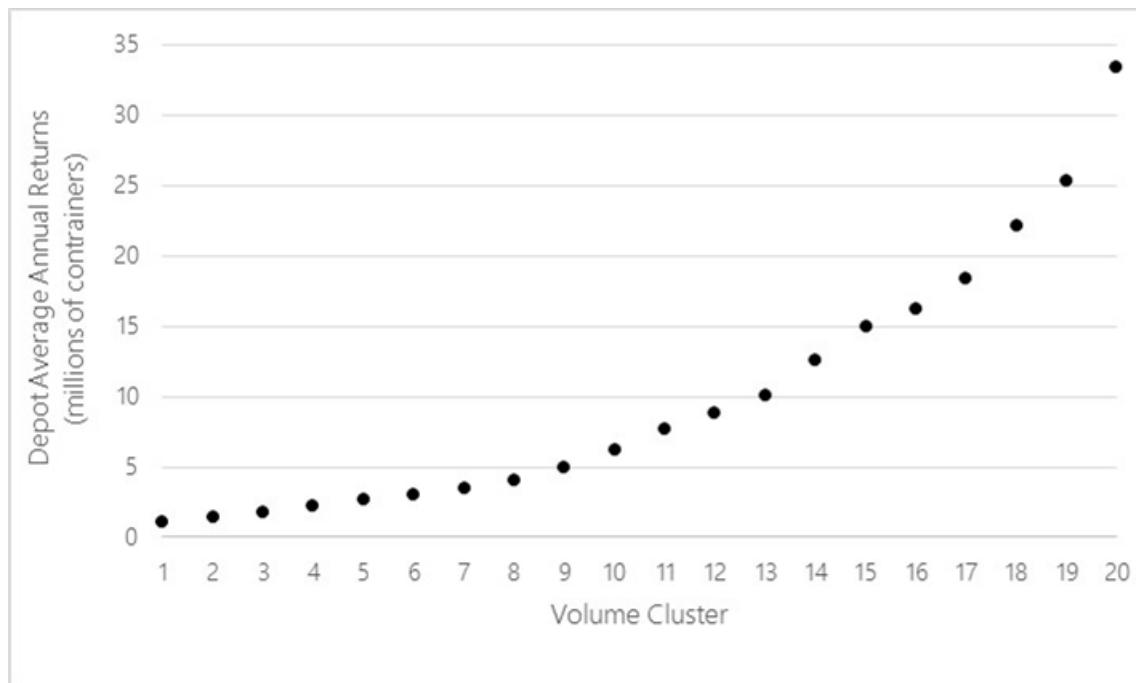
4.3 Classifications and Ownership Type

In the Phase I and II Reports we will use the following classifications to aggregate depot data:

- **Size Classification:** as stated in the Depot Building Size Cap Policy, this classification splits depots into three groups: small, medium, or large. Below is an explanation of the classifications:
 - **Small depots:** Handle fewer than 6 million container per year
 - **Medium depots:** Handle between 6 million and 15.5 million containers per year
 - **Large depots:** Handle over 15.5 million containers per year
- **Location Classification:** as found in the BCMB Depot By-law, depots are classified as Metro, Urban, or Rural. Below is an explanation of the classifications:
 - **Metro:** The City of Edmonton and the City of Calgary
 - **Urban:** Municipalities with an official population equal to or greater than 10,000
 - **Rural:** Municipalities with populations below 10,000
 - **Small rural:** Population of 4,000 or less
 - **Large rural:** Population of more than 4,000 and less than 10,000
- **Volume Cluster Classification:** during the HCR process, the DCA completes a calculation to split the Study System depots into twenty equally sized volume clusters.

Figure 4 shows the average container volume returned by each volume cluster in 2024.

Figure 4 – Average 2024 Fiscal Year Return Volume by Volume Cluster



In addition to the classification noted above, depots also specify the type of ownership on a few criteria as stated below:

- For profit or not for profit;
- Multi-business or single business;
- Walk-in, drive-thru, or both; and
- Tax ownership type.

This information can be used to differentiate depots and identify characteristics that may contribute to depot profitability.

Tax ownership type is dictated by the type of tax return filed by the depot. Sole proprietors report their revenues and costs on their personal tax returns, incorporated entities complete a corporate tax return, and registered charities report as non-profit charities. Of the three depots classified as other in 2024, one was listed as a partnership and two were non-profit organizations.

Data related to the various types of ownership is summarized in **Table 3**.

Table 3 –Study System (Including Exempt Depots) Depot Volume Summary

Depot Category	Number of Depots	Average Container Volume	% of Total Volume 2025/26 HCR	% of Total Volume 2019/20 HCR
Systems				
Total System Depots	221	9,837,245	100%	99%
Depots without Completed UCA (Including Exempt Depots)	12	349,321	0%	3%
Study System Depots	209	10,053,243	97%	96%
Size Classification				
Large	53	23,064,875	56%	58%
Medium	59	10,291,545	28%	26%
Small	97	2,798,848	12%	12%
Location Classification				
Metro	50	19,505,064	45%	46%
Urban	37	17,680,599	30%	30%
Rural	122	3,866,331	22%	20%
Business Type				
Single Business	183	10,538,201	89%	88%
Multi-Business	26	6,639,888	8%	9%
Ownership Type				
Sole Proprietorship	15	2,009,397	1%	1%
Incorporated	180	10,668,555	88%	87%
Registered Charity	11	12,408,500	6%	6%
Other	3	4,717,793	1%	2%
<i>Note: Total System Volume</i>				2,174,031,039

Relative to the 2019/20 Handling Commission Review, the proportions of total system volume represented across depot classifications has remained similar. One notable difference is that, after the UCA exemption threshold was increased from one million to two million containers in 2020, more small and rural depots were represented in the Study System in the 2025/26 HCR¹⁹; however, as these are smaller volume depots, the volume breakdown remained stable.

4.4 Multi-Businesses, Depot Stalls, Cash Registers, and Buying Stations

A total of 26 depots operated multi-businesses in Fiscal Year (FY) 2024. A multi-business is defined as a depot with additional businesses operating out of the same location. Depots that used a multi-business format were typically smaller depots or depots part of a charity organization.

¹⁹ In the 2019/20 HCR, the Study System included 67 small depots (compared to 97 in 2025/26), 89 rural depots (122 in 2025/26), and 172 total Study System depots (209 in 2025/26).

The DCA also collects information on the number of parking stalls, buying stations, and cash registers that each depot has on-site. Generally, as depots get bigger, there are more of each of these items to accommodate customers. **Table 4** summarizes this information.

Table 4 – Depot Operational Statistics

Volume Cluster	Range	Number of Depots	% Operating as Multi-Business	% Operating as Single Business	Average Number of Parking Stalls	Average Number of Cash Registers	Average Number of Buying Stations
1	0 - 1,289,000	10	10%	90%	5.4	1.2	2.0
2	1,289,001 - 1,581,000	11	27%	73%	5.0	1.2	2.6
3	1,581,001 - 1,963,000	10	40%	60%	5.5	1.1	2.3
4	1,963,001 - 2,397,000	10	10%	90%	6.9	1.2	3.0
5	2,397,001 - 2,799,000	11	27%	73%	7.0	1.0	2.3
6	2,799,001 - 3,152,000	10	0%	100%	6.8	1.3	2.5
7	3,152,001 - 3,632,000	11	0%	100%	6.6	1.2	2.9
8	3,632,001 - 4,250,000	10	20%	80%	6.0	1.4	3.0
9	4,250,001 - 5,481,000	11	18%	82%	6.5	1.6	6.4
10	5,481,001 - 6,782,000	10	20%	80%	6.9	1.0	4.6
11	6,782,001 - 8,424,000	11	9%	91%	10.7	2.1	3.1
12	8,424,001 - 9,291,000	10	20%	80%	5.4	1.6	9.3
13	9,291,001 - 10,962,000	10	0%	100%	11.5	1.6	6.0
14	10,962,001 - 14,131,000	11	18%	82%	13.3	2.4	8.0
15	14,131,001 - 15,317,000	10	0%	100%	15.0	1.7	5.2
16	15,317,001 - 17,405,000	11	9%	91%	22.4	1.9	5.1
17	17,405,001 - 19,644,000	10	0%	100%	13.9	1.8	6.9
18	19,644,001 - 23,524,000	11	9%	91%	15.3	2.0	11.2
19	23,524,001 - 27,044,000	10	0%	100%	22.5	1.8	8.4
20	27,044,001 - 39,339,000	11	9%	91%	24.8	1.3	10.1

The BCMB Depot By-law identifies criteria for the minimum number of parking stalls and buying stations at each depot. The By-law also requires that all depots have at least one cash register capable of generating a customer receipt showing the number of registered containers at each refund rate, the total refund, and the depot's name, address, and telephone number. **Tables 5, 6, and 7** show these criteria and the amounts reported by depots. These tables show that several depots are not meeting the criteria established in the By-law.

Table 5 – As Reported Number of Parking Stalls per Depot

Depot Category	Number of Depots Reporting	Average Number of Parking Stalls	Minimum Required Parking Stalls	Number of Depots Under Criteria	% of Depots Under Criteria
Metro	50	17.0	12	11	22%
Urban	37	17.0	10	6	16%
Rural	122	6.6	5	41	34%
Total	209	10.9	5	58	28%

Table 6 – As Reported Number of Cash Registers per Depot

Depot Category	Number of Depots Reporting	Average Number of Cash Registers
Metro	50	1.8
Urban	37	1.8
Rural	122	1.3
Total	209	1.5

Table 7 – As Reported Number of Buying Stations per Depot

Depot Category	Number of Depots Reporting	Average Number of Buying Stations	Minimum Required Buying Stations	Number of Depots Under Criteria	% of Depots Under Criteria
Metro	50	8.3	5	10	20%
Urban	37	7.2	4	2	5%
Rural	122	3.4	2	10	8%
Total	209	5.3	2	22	11%

4.5 Operating Hours

Depots report their scheduled hours in Table 1 of the UCA. This includes the number of additional, non-public hours the depot is operational in a week. These hours are spent on activities that include further sorting and shipping; preparing to open; cleaning up after closing; and after-hours management functions such as hiring, interviewing new staff, planning, and meeting with professionals. **Figure 5** shows the average number of operating hours (including scheduled and additional hours) reported by depots in each volume cluster.

Figure 5 – Reported Operating Hours Per Week

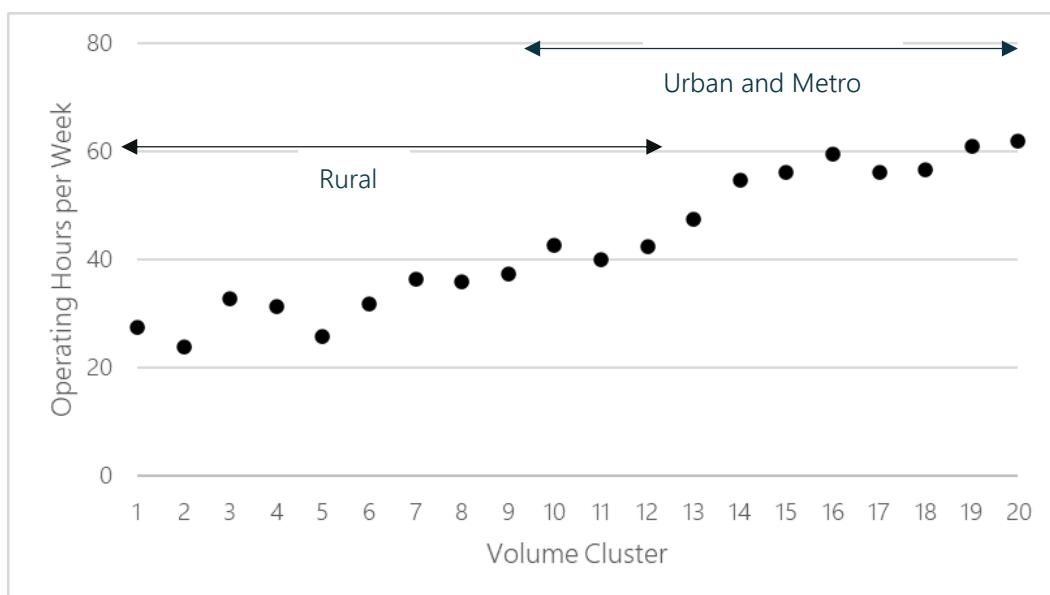


Table 8 shows this same data using the Location Classification and the number of depots that are under the criteria set by Depot By-law.

Table 8 – As Reported Depot Operating Hours

Depot Category	Population	Number of Depots Reporting	Average Weekly Operating Hours	Minimum Number of Hours Open Per Week	Number of Depots Under Criteria	% of Depots Under Criteria
Metro		50	60.7	52	1	2.0%
Large Urban	Over 20,000	25	54.3	40	0	0.0%
Small Urban	Under 20,000	12	45.2	28	0	0.0%
Large Rural	Over 4,000	30	40.7	28	0	0.0%
Small Rural	Under 4,000	92	31.2	16	0	0.0%
Total		209	43.2	16	1	0.5%

5. UCA Survey Results – Revenues and Costs

The UCA collects both depot operational statistics and depot financial data. In this section, we detail the financial data. This data is broken up into sub-sections as follows:

- Revenues
- Labour Costs
- Building Costs
- Vehicle and Equipment Costs
- Overhead Costs

Each of these sub-sections details the As Reported, As Accepted, and As Adjusted Data and the changes between the data types. At the beginning of each subsection, As Reported, As Accepted, and As Adjusted Data are summarized. Analysis is shown using only the As Accepted and As Adjusted Data (i.e., As Reported Data is shown only in the summary data).

5.1 Revenues

5.1.1 Handling Commission Revenue

Handling commission revenue is the amount payable for each container collected from a Depot in accordance with Section 13(b) of the Beverage Container Recycling Regulation AR 101/97. We have calculated the theoretical handling commission revenue for each depot based on CSA return volume data. Because there are several ways depots report items on their financial statements or tax documents which impact depot-reported revenue amounts, we rely on this calculated revenue figure throughout this report.

Depots' revenue reporting approaches have included the following:

- Some depots report only the handling commission component of the CSA receipts as revenue (i.e., excluding the deposit portion of the amounts received);
- Some depots report handling commission components that may or may not be net of BCMB and Alberta Bottle Depot Association (ABDA) fees;
- Some depots report revenue that includes both the handling commission and deposit portion of CSA receipts and then deduct purchases which may include collection costs, and over/underpayment to customers;
- Some depots report handling commission revenues without differentiating DVHC revenues; and
- Some depot owners work at the depot and, instead of paying themselves salary, receive payment as dividends or report this cost as part of their revenue for tax planning purposes.

Each UCA package includes both the volumes reported to the DCA by ABCRC and Brewers Distributor Ltd. (BDL) in monthly volume reports and handling commissions and deposits calculated by MNP using the volumes and rates stored in the database. On Table 9 of the UCA, depots are asked to validate and report discrepancies in these values when compared with their own records. For depots that do not complete this table, it is assumed that the values provided by ABCRC and BDL are accurate when compared with depot records.

When a depot reports a discrepancy, the reviewer confirms if the discrepancy is above or below a 3% difference. If the difference is equal to or below 3%, the difference is deemed to be immaterial and is ignored. If the difference is greater than 3%, the UCA reviewer asks the depot to provide documentation previously received by the depot from ABCRC/BDL stating the volume received. The reviewer then compares this documentation to volumes the DCA receives from ABCRC/BDL. In all cases when this analysis was performed, the discrepancy was resolved due to timing or recognition of different revenue reporting approaches. **Table 9** below summarizes the discrepancies identified by depots.

Table 9 – Handling Commission Revenue Comparison

Depot Category	Number of Depots in Study System	Number of Depots Reporting	Depots Reporting Discrepancy >3%	Depots Reporting Discrepancy <3%	% of Depots Reporting	Reported Handling Commissions	Calculated Handling Commissions	Difference Commissions	Percent Difference
Small	97	28	2	26	29%	\$ 14,529,375	\$ 14,522,651	\$ (6,724)	-0.05%
Medium	59	31	2	29	53%	\$ 33,792,191	\$ 33,694,724	\$ (97,467)	-0.29%
Large	53	41	7	34	77%	\$ 71,129,168	\$ 71,558,834	\$ 429,666	0.60%
Total	209	100	11	89	48%	\$ 119,450,733	\$ 119,776,209	\$ 325,476	0.27%

In discussions with the 11 depots that reported a discrepancy between these two revenue figures, all discrepancies were due to the following reasons:

- **Timing differences in when the depot reported the volume of processed containers and when the CSA reported it:** In most cases, depots report the revenue when the containers are removed from their facility and loaded onto transport trucks. The CSA volumes are recorded when the containers are processed in their facilities. This can cause a discrepancy when containers are shipped near the end of the month, causing the depot to report the revenue in one month and the CSA to report the revenue in the next month.

- **Recording location of 3rd Party Collection Costs:** Some depots choose to record these fees as part of Cost of Goods Sold (COGS) and, as such, they reduce the depot's total revenue. The calculated handling commissions do not account for any COGS.
- **Shrinkage:** In many cases, depots have contributed shrinkage to the discrepancies between their calculated and reported handling commission revenues. This has resulted in a reduction of depots reported revenue.

Table 10 shows the total difference in reported and calculated handling commissions and fees.

Table 10 – Handling Commission Revenue Reconciliation

Category	Amount
Reported Handling Commissions	\$119,450,733
Calculated Handling Commissions	\$119,776,209
Difference	\$ (325,476)

As the discrepancies between these two revenue amounts are minor, we use the calculated numbers based on the manufacturer volumes.

5.1.2 Depot Viability Handling Commission Revenue

As directed in section 4.3 of the BCMB's Handling Commission By-law, depots are "paid a Depot Viability Handling Commission (DVHC) of 1.5 cents for each of the first 1.5 million containers shipped to the CSA by that Depot in every calendar year commencing January 1, excepting refillable containers and regardless of whether there is a change in effective control of the Depot or a change of Permit Holder at the Depot location."²⁰

Many depots either report DVHC amounts in a way that is unverifiable, such as by consolidating DVHC revenue with Handling Commission revenue totals on either their UCAs, their financials or both; or by omitting DVHC revenue from their UCAs. For that reason, the DCA calculates depots' DVHC revenues based on CSA return volume data and uses those calculated amounts throughout its determination of the recommended Revenue Requirement and Handling Commission rates.

Table 11 shows the difference in reported and calculated DVHC amounts.

Table 11 – DVHC Revenue Reconciliation

Category	Amount
As Reported DVHC	\$ 1,429,910
As Accepted DVHC	\$ 4,258,831
Difference	\$ 2,828,921

5.1.3 Deposit Revenue

Deposit revenue is the refund provided by a depot to a person returning an empty registered container to the depot. The total refund for all containers shipped by the depot to the CSA is paid to the depot as deposit revenue.

²⁰ 2024.11.20.Handling.Commission.Bylaw.BOARD.APPROVED.rates.May1_2025.pdf, Section 4

Similar to its process for determining handling commission revenue, the DCA calculates deposit revenue based on manufacturers' monthly volume reports. The DCA then reports these revenue amounts to each depot on their UCA forms. Depots are then given the opportunity to state discrepancies between their records and the DCA-calculated deposit revenues.

Table 12 shows the discrepancies between reported and calculated deposit revenues.

Table 12 – Deposit Revenue Comparison

Depot Category	Number of Depots in Study System	Number of Depots Reporting	Depots Reporting Discrepancy >3%	Depots Reporting Discrepancy <3%	% of Depots Reporting	Reported Purchases	Calculated Purchases	Difference	Percent Difference
Small	97	24	1	23	24.7%	\$ 29,593,009	\$ 29,563,056	\$ (29,952)	-0.1%
Medium	59	30	2	27	50.8%	\$ 66,836,668	\$ 66,536,029	\$ (300,639)	-0.5%
Large	53	37	2	35	69.8%	\$ 137,789,393	\$ 137,024,935	\$ (764,458)	-0.6%
Total	209	91	5	85	43.5%	\$ 234,219,070	\$ 233,124,020	\$ (1,095,049)	-0.5%

In discussions with depots that reported a discrepancy greater than 3% of the total, the DCA identified that the discrepancy was due to the inclusion of collection costs or overhead costs in COGS, or inclusion of DVHC revenues in the reported purchase amounts. As these differences were reconciled through discussion, we use calculated purchases for the analysis in this report.

5.1.4 Miscellaneous Revenue

Miscellaneous revenue is reported on Table 8 of the UCA. Miscellaneous revenue is revenue other than regular handling commission, DVHC, and deposit revenue received from the manufacturing agents. These revenues include carboard sales, pick-up/collection fees, other recycling fees, bottle sales, value added fees, and other revenues. Other revenue includes revenue received where the expenses to provide the service are also reported in the UCA document, but which is not included in a different miscellaneous revenue category.

From what Depots initially report as miscellaneous revenue, the DCA may amend some amounts to more accurately categorize the revenue (for example, moving an item reported as 'other revenue' to COVID Subsidy or to DVHC revenue).

Adjustments between As Accepted and As Adjusted miscellaneous revenue include the following:

- Per the BCMB's Offsite Collection Policy, related pick-up fees have been removed.
- As only one of the depots who received Value Added Fee (VAF) revenues in 2024 will be engaged in compaction and receiving VAF revenues after May 1, 2026, VAF revenues have been removed for all but one depot. This has resulted in \$216,680 being removed from the As Adjusted Value Added Fee category.
- As there are no COVID subsidy, CDAP, or Carbon Rebate programs in place currently or announced to be in place in 2026, COVID subsidy, CDAP, and Carbon Rebate revenues were removed from the other revenue category. This has resulted in \$529,295 being removed from the As Adjusted system.
- As all costs associated with building rental revenue are replaced by deemed costs using the Depot-specific square footage multiplied by the deemed lease and use rates, insurance proceeds and building rental revenues associated with extra space have also been removed from the other revenue category. This has resulted in \$379,362 being removed from the As Adjusted other revenue category.
- Fifty-four depots reported costs related to interest and investments. Each depot that included these

costs in their UCA stated that interest revenue was received for moneys obtained for payments of deposits or was related to dividends from a subsidiary company of the depot. 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.

Table 13 summarizes the amount of miscellaneous revenue reported by depots in 2024.

Table 13 – As Reported / Accepted / Adjusted Miscellaneous Revenue

Miscellaneous Revenue			
Category	Total As Reported	Total As Accepted	Total As Adjusted
Cardboard Sales	\$ 249,657	\$ 8,879	\$ 9,074
Pick-up Fees	\$ 361,658	\$ 361,658	\$ 0
Other Recycling	\$ 2,023	\$ 3,850	\$ 3,617
Bottle Sales	\$ 42,186	\$ 74	\$ 74
Value Added Fee	\$ 208,196	\$ 208,196	\$ 31,680
COVID Subsidy	\$ 278,065	\$ 452,575	\$ 0
Other Revenue	\$ 2,110,418	\$ 1,759,002	\$ 249,272
Subtotal	\$ 3,252,204	\$ 2,794,234	\$ 293,716

Table 14 shows As Adjusted miscellaneous revenue as a percentage of handling commission revenue. This table shows that miscellaneous revenue is proportionally higher for smaller depots, though miscellaneous revenue is still a small portion of total revenue.

Table 14 – Miscellaneous Revenue as a Percentage of Handling Commission Revenue

	Small	Medium	Large	Total
Handling Commission Revenue	\$ 14,522,651	\$ 33,694,724	\$ 71,558,834	\$ 119,776,209
Miscellaneous Revenue	\$ 180,856	\$ 75,209	\$ 37,651	\$ 293,716
	1.2%	0.2%	0.1%	0.2%

Table 15 provides further insights into the Miscellaneous Revenue 'other revenue' category.

Table 15 – Other Revenue Details

Revenue Category	Number of Depots Reporting	Total Amount Reported	Percent of Total
Net Revenue	209	\$ 120,832,959	100.0%
Depots Reporting Miscellaneous Revenue	41	\$ 293,716	0.2%
Depots Reporting Other Revenue	35	\$ 249,272	0.2%
Other Revenue Category	Number of Depots Reporting Other Revenue	Total Other Revenue Reported	% of Other Revenue
Confection / Carwash	5	\$ 101,490	40.7%
Donations	-	\$ 0	0.0%
Grants	3	\$ 22,767	9.1%
Insurance Proceeds	-	\$ 0	0.0%
Other	27	\$ 125,015	50.2%
Total Other Revenue	35	\$ 249,272	100.0%

As noted, during the UCA review process, our team spoke with depots about their miscellaneous revenue, with particular interest in other revenue. The details for each category are listed below.

- **Confection/Carwash:** Five depots run small confection or carwash operations in their depots. This revenue is produced by sale of goods to depot customers which are completed by depot employees.
- **Grants:** Three depots received carbon rebates or grants including Youthworks Program and Canada Summer Jobs in relation to their depot business.
- **Other:** Twenty-seven depots either did not give details further than stating that the costs included were "other revenue", or provided assorted descriptions including courier revenue, propane and laundry services, or expense recoveries. In these cases, we recommend that this revenue is included.

We have determined that each of the entries included as miscellaneous revenue should be excluded from the total Revenue Requirement to offset the directly associated costs which are not required for depot operations.

5.2 Labour Costs

5.2.1 Labour Cost Overview

Labour costs represent the highest proportion of depot expenditures (approximately 54% of total expenses). In 2024, the study system's total labour cost was \$58.6 million, with personnel working 2.5 million hours. **Table 16** shows the total hours and pay for As Reported, As Accepted, and As Adjusted Data.

Table 16 – Total Labour Summary

	As Reported		As Accepted		As Adjusted	
	Total Labour Hours	Total Labour Pay	Total Labour Hours	Total Labour Pay	Total Labour Hours	Total Labour Pay
Small	344,718	\$ 6,972,739	359,979	\$ 8,255,451	369,837	\$ 8,282,878
Medium	747,142	\$ 18,099,436	761,877	\$ 18,198,524	761,877	\$ 17,838,139
Large	1,385,512	\$ 35,871,393	1,398,007	\$ 32,320,662	1,411,300	\$ 32,501,364
Total	2,477,372	\$ 60,943,569	2,519,864	\$ 58,774,637	2,543,015	\$ 58,622,381

Changes between the reported and accepted labour and pay amounts occurred in 110 of the Study System depots. These adjustments were made for the following reasons:

- **Change in Manager Wages:** Ninety-four Depots' manager pay were changed in 2024. A manager is a person who performs management duties at the Depot. At 45 Depots, we increased wages resulting in a total of \$1.3 million being added to the system while we reduced wages at the remaining 49 Depots for a total of \$2.8 million.

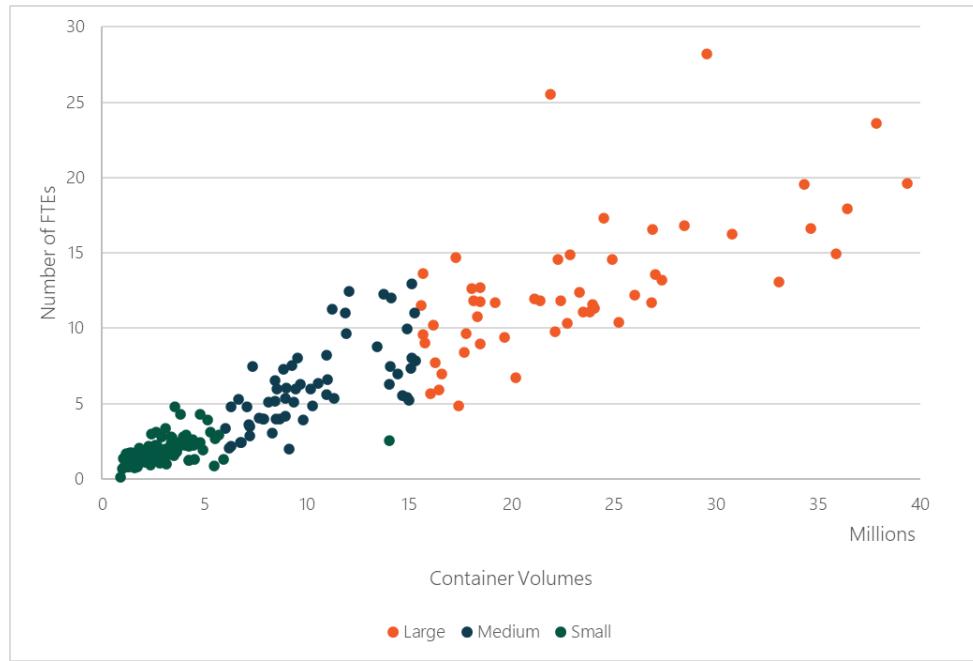
Wage increases were deemed necessary in cases where a manager had a regular hourly rate below the Alberta minimum wage of \$15.00/hour without participating in a wage subsidy program. This includes cases where the Depot reported owners or related employees having worked uncompensated labour hours. Wage decreases were implemented in cases when the Depot indicated that the wage was a result of profit sharing or tax planning rather than being set as a fair market rate. These cases involved managers related to the Depot owner only.

- **Change in Direct Labour Wages:** Sixty-nine Depots' direct labour pay were changed in 2024. At 47 of these Depots, wages were increased, resulting in a total of \$1.2 million being added to the system; at 22 Depots, wages were reduced by a total of \$630,000. Changes to wages were deemed necessary in cases where an employee had a regular hourly rate below the Alberta minimum wage of \$15.00/hour (including owner or related employee uncompensated hours), or any wage for a related employee with the Depot having indicated that the wage was a result of profit sharing or tax planning rather than being set as a fair market rate.
- **Change in Employee Hours:** We amended 37 Depots' employee hours. These changes were typically made in cases where Depots provided corrected employee hours during the validation process, along with a small number of instances where employees performed hours for other non-Depot operation activities.

Changes between As Accepted and As Adjusted Data were related to the Stub UCA Adjustment. With these adjustments, the As Adjusted labour data is representative of the actual costs needed to staff the Depots and are used for the remainder of our labour analysis.

Figure 6 shows the number of full-time equivalent employees at each depot. In this calculation we have assumed that a full-time employee works 2,080 hours annually.

Figure 6 – FTEs by Depot



5.2.2 UCA Labour Data Classification

In the 2024 UCA, depots completed three tables detailing the hours and costs associated with the labour to operate the depot. The UCA breaks labour into two sections: T4/Owner labour (further split into a Labour Hours table and a Labour Pay table) and Contract/Temporary labour. The following descriptions are provided in the UCA Instruction Manual to help distinguish these two classes of labour:

- **T4 / Owner Labour:** Employees included on this table are those related to both Direct and Overhead

Labour functions in the depot. Direct and Overhead Labour includes employees performing the following functions: customer interface, cashiers, sorters, collection of containers from outside the depot, loading trucks, administrative duties, management duties, etc.

- **Contract / Temporary Labour:** Contract and temporary labour are for human resources that are not included on the depots' T4 Summary. This may include individuals that are subcontractors, hired through another company, or that received cash payments for their work in the depot.

For each of the employees listed under either class of labour, depots completed two categorizations: a job class and a work type. Job classes include:

- **Manager (MGR):** a person who manages the depot on a day-to-day basis, provides some administrative services and who does not own a financial interest in the depot. Management services can include scheduling, training, administrative work, etc.
- **Owner (OWN):** a person who provides some type of management services and who owns a financial interest in the depot.
- **Leadhand, Bookkeeper, or Handler (LBH):** Any person who performs the functions of a Leadhand, Bookkeeper, or Handler. All time spent performing direct labour functions such as customer interface, cashiers, sorters, or loading trucks. should be allocated to this job class. A brief description of each of the three jobs in this class is found below:
 - **Leadhand:** A person who provides floor supervision but is not involved in day-to-day administrative functions.
 - **Bookkeeper:** A person who is responsible for maintaining the day-to-day bookkeeping of the depot.
 - **Handler:** A person who works on the shop floor in direct labour functions.
- **Collector (COL):** A person who is paid an hourly fee to pick up containers from customers rather than customers bringing containers to the depot.

Tables 17 and **18** show the As Adjusted total hours and costs associated with each job class separated by the UCA labour classification. Note that these tables exclude benefits and labour costs reported in Table 7.

Table 17 – As Adjusted T4 / Owner Labour Statistics By Job Class

Job Class	Hours	Hours / Depot	Dollars	\$/Hour
Small				
MGR	65,845	679 \$	1,656,164	\$ 25.15
OWN	107,520	1,108 \$	2,522,150	\$ 23.46
LDH, BK, or HND	156,686	1,615 \$	2,857,537	\$ 18.24
COL	6,141	63 \$	115,739	\$ 18.85
<i>Subtotal</i>	336,192	3,466 \$	7,151,589	\$ 21.27
Medium				
MGR	127,008	2,153 \$	3,498,540	\$ 27.55
OWN	63,399	1,075 \$	1,917,731	\$ 30.25
LDH, BK, or HND	487,386	8,261 \$	9,012,223	\$ 18.49
COL	11,435	194 \$	214,776	\$ 18.78
<i>Subtotal</i>	689,228	11,682 \$	14,643,270	\$ 21.25
Large				
MGR	128,853	2,431 \$	3,570,611	\$ 27.71
OWN	70,728	1,334 \$	2,057,854	\$ 29.10
LDH, BK, or HND	1,027,326	19,384 \$	19,328,710	\$ 18.81
COL	25,451	480 \$	515,851	\$ 20.27
<i>Subtotal</i>	1,252,358	23,629 \$	25,473,026	\$ 20.34
Total	2,277,778	10,898 \$	47,267,885	\$ 20.75

Table 18 – As Adjusted Contract / Temporary Labour Statistics by Job Class

Job Class	Hours	Hours / Depot	Dollars	\$/Hour
Small				
MGR	900	9 \$	24,750	\$ 27.50
OWN	15,870	164 \$	428,434	\$ 27.00
LBH	10,995	113 \$	195,835	\$ 17.81
COL	5,881	61 \$	108,691	\$ 18.48
<i>Subtotal</i>	33,645	347 \$	757,710	\$ 22.52
Medium				
MGR	7,892	134 \$	283,512	\$ 35.93
OWN	16,275	276 \$	551,829	\$ 33.91
LBH	31,647	536 \$	648,802	\$ 20.50
COL	16,836	285 \$	348,265	\$ 20.69
<i>Subtotal</i>	72,649	1,231 \$	1,832,408	\$ 25.22
Large				
MGR	30,992	585 \$	1,024,508	\$ 33.06
OWN	44,642	842 \$	1,422,142	\$ 31.86
LBH	66,273	1,250 \$	1,449,187	\$ 21.87
COL	17,036	321 \$	410,491	\$ 24.10
<i>Subtotal</i>	158,942	2,999 \$	4,306,329	\$ 27.09
Total	265,237	1,269 \$	6,896,447	\$ 26.00

In addition to identifying labour hours and pay by job class, depots also identified these by work type. While job class is mostly indicative of an employee's title, work type represents the activities employees perform. Depots indicate these labour activities by allocating a percentage of total time spent by each employee to each of three work types: Manager (MGR), Leadhand, Bookkeeper, or Handler (LBH), and Collector (COL).

Tables 19 and **20** show the As Adjusted total hours and costs associated with each work type for the two UCA labour classifications (T4/Owner and Temporary/Contract).

Table 19 – As Adjusted T4 / Owner Labour Statistics By Work Type

Work Type	Hours	Hours / Depot	Dollars	\$/Hour
Small				
MGR	100,372	1,035 \$	2,413,472	\$ 24.05
LBH	211,225	2,178 \$	4,162,555	\$ 19.71
COL	22,435	231 \$	455,114	\$ 20.29
Subtotal	334,032	3,444 \$	7,031,140	\$ 21.05
Medium				
MGR	170,816	2,895 \$	4,779,439	\$ 27.98
LBH	495,906	8,405 \$	9,317,685	\$ 18.79
COL	22,507	381 \$	455,758	\$ 20.25
Subtotal	689,228	7,105 \$	14,552,882	\$ 21.11
Large				
MGR	188,900	3,564 \$	5,342,604	\$ 28.28
LBH	1,017,548	19,199 \$	19,194,548	\$ 18.86
COL	45,910	866 \$	935,874	\$ 20.38
Subtotal	1,252,358	23,629 \$	25,473,026	\$ 20.34
Total	2,275,618	10,888 \$	47,057,048	\$ 20.68

Table 20 – As Adjusted Contract / Temporary Labour Statistics by Work Type

Work Type	Hours	Hours / Depot	Dollars	\$/Hour
Small				
MGR	12,187	126 \$	330,836	\$ 27.15
LBH	15,000	155 \$	302,816	\$ 20.19
COL	6,459	67 \$	124,058	\$ 19.21
Subtotal	33,645	347 \$	757,710	\$ 22.52
Medium				
MGR	21,734	368 \$	745,307	\$ 34.29
LBH	33,683	571 \$	710,385	\$ 21.09
COL	17,231	292 \$	376,716	\$ 21.86
Subtotal	72,649	749 \$	1,832,408	\$ 25.22
Large				
MGR	69,591	1,313 \$	2,275,817	\$ 32.70
LBH	74,337	1,403 \$	1,660,198	\$ 22.33
COL	15,014	283 \$	370,314	\$ 24.66
Subtotal	158,942	2,999 \$	4,306,329	\$ 27.09
Total	265,237	1,269 \$	6,896,447	\$ 26.00

Most labour hours (90%) and wages (87%) are incurred by T4/Owner labour. This increases the confidence in labour data as the wages can be verified through T4 documentation as well as through the financial statements and tax documents provided by depots.

5.2.3 DCA Labour Data Classification

To further analyze the labour data, we have used the work type identified by depots in the UCA to create the following labour classifications:

- **Direct Labour:** Includes all time associated with the Leadhand, Bookkeeper, and Handler work type.
- **Collector Labour:** Includes all time associated with the Collector work type.
- **Overhead Labour:** Includes all time associated with the Manager work type.

The sections below relate to the DCA labour data classifications.

5.2.4 Direct Labour

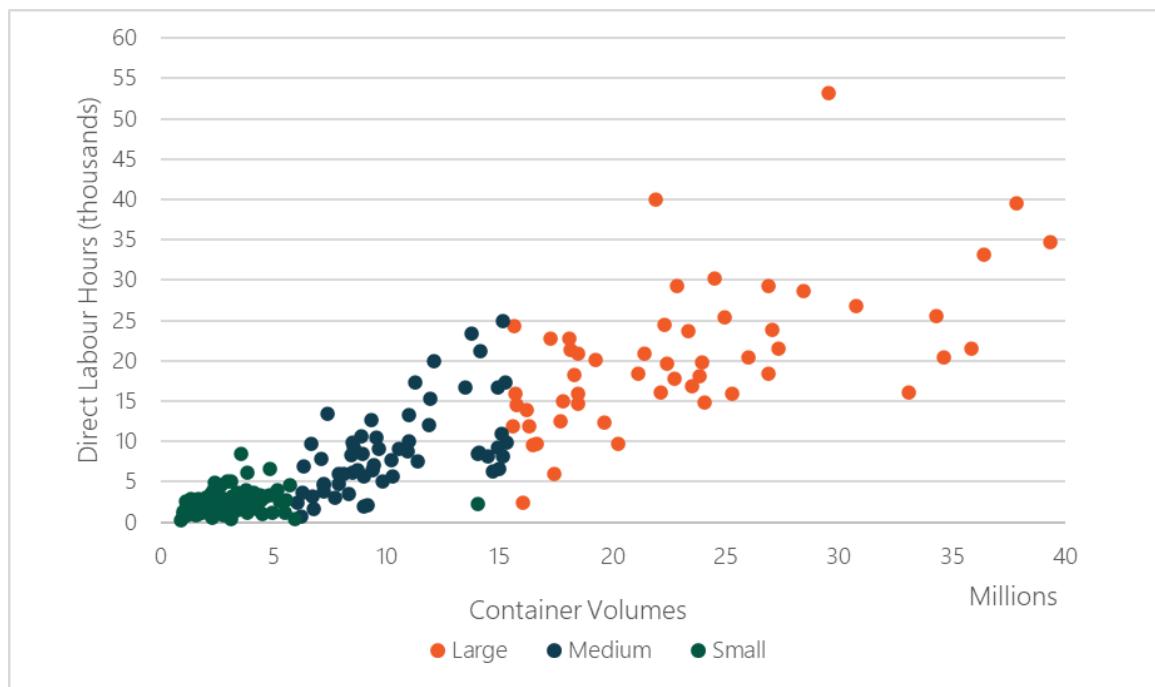
In 2024, a total of 1.8 million hours and \$39.2 million were classified as direct labour. The average hourly wage paid for these hours was \$21.18. **Table 21** below shows a breakdown of direct labour by size classification.

Table 21 – As Adjusted Direct Labour Statistics

Depot Category	Hours	Benefits Paid	% of Total T4 Cost	Benefits Paid (\$/Hour)	Salary Paid*	% of Total T4 Cost	Salary Paid (\$/Hour)	Total T4 Costs	Total T4 Costs (\$/Hour)
Small	228,074	\$ 398,484	8.1%	\$ 1.75	\$ 4,511,968	91.9%	\$ 19.78	\$ 4,910,452	\$ 21.53
Medium	529,589	\$ 1,394,339	12.5%	\$ 2.63	\$ 9,778,156	87.5%	\$ 18.46	\$ 11,172,494	\$ 21.10
Large	1,091,885	\$ 2,501,744	10.8%	\$ 2.29	\$ 20,581,157	89.2%	\$ 18.85	\$ 23,082,901	\$ 21.14
Total	1,849,548	\$ 4,294,567	11.0%	\$ 2.32	\$ 34,871,281	89.0%	\$ 18.85	\$ 39,165,848	\$ 21.18

Figure 7 shows the As Adjusted direct labour hours by depot. While there is some correlation between direct labour and container volume, we also see significant variation in the number of direct labour hours similar-sized depots incur.

Figure 7 – As Adjusted Direct Labour Hours by Depot



Depots paid a total of \$5.3 million in benefits to these employees. Depots provide benefits in several cost categories as follows:

- **Taxable Benefits:** Total taxable benefits paid, including for example, RRSP contributions, contributions to pension funds, and life insurance payments, for the fiscal year.
- **Health Care:** Any non-taxable benefits paid to all employees including Alberta Health Care and private health care plan expenses.
- **EI & CPP:** Total employer's portion of Employment Insurance and Canada Pension Plan payments for all employees.
- **WCB:** Total Worker's Compensation Board payments for all employees.
- **Other:** Any cost associated with labour that has not been reported elsewhere.

Table 22 breaks this amount down to the individual cost categories reported by depots.

Table 22 – As Adjusted Direct Labour Benefits

Depot Category	Taxable Benefits	Health Care	EI & CPP	WCB	Other	Total Cost
Small	\$ 11,568	\$ 31,052	\$ 357,712	\$ 86,811	\$ 27,279	\$ 514,423
Medium	\$ 123,055	\$ 221,585	\$ 942,179	\$ 331,459	\$ 53,889	\$ 1,672,167
Large	\$ 136,794	\$ 515,008	\$ 1,783,758	\$ 613,287	\$ 96,852	\$ 3,145,699
Total	\$ 271,417	\$ 767,645	\$ 3,083,650	\$ 1,031,557	\$ 178,019	\$ 5,332,288

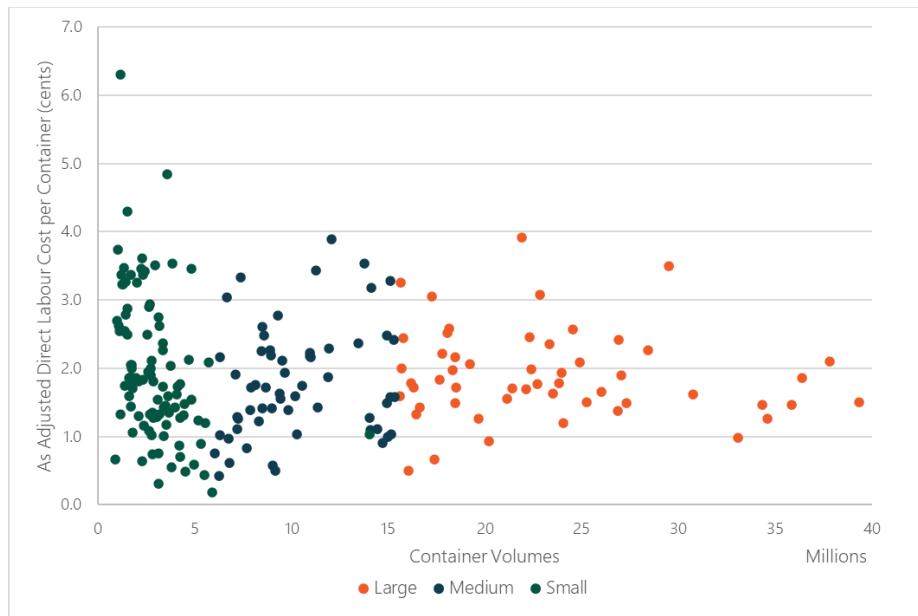
Table 23 below summarizes several direct labour statistics used to evaluate performance, identify outliers, and provide comparison between depots. The number of depots reporting direct labour costs and hours shows only the depots that included this type of labour in their reporting.

Table 23 – As Adjusted Direct Labour Statistics

	Small	Medium	Large	Total
Depots Reporting Direct Labour Costs	97	59	53	209
% of Total	100%	100%	100%	100%
Depots Reporting Direct Labour Hours	97	59	53	209
% of Total	100%	100%	100%	100%
Average Hourly Wage (\$/Hour)	\$ 21.53	\$ 21.10	\$ 21.14	\$ 21.18
Average Cost per Container (\$/container)	1.78	1.84	1.88	1.86
Average Time Per Container (s/container)	2.98	3.14	3.20	3.16

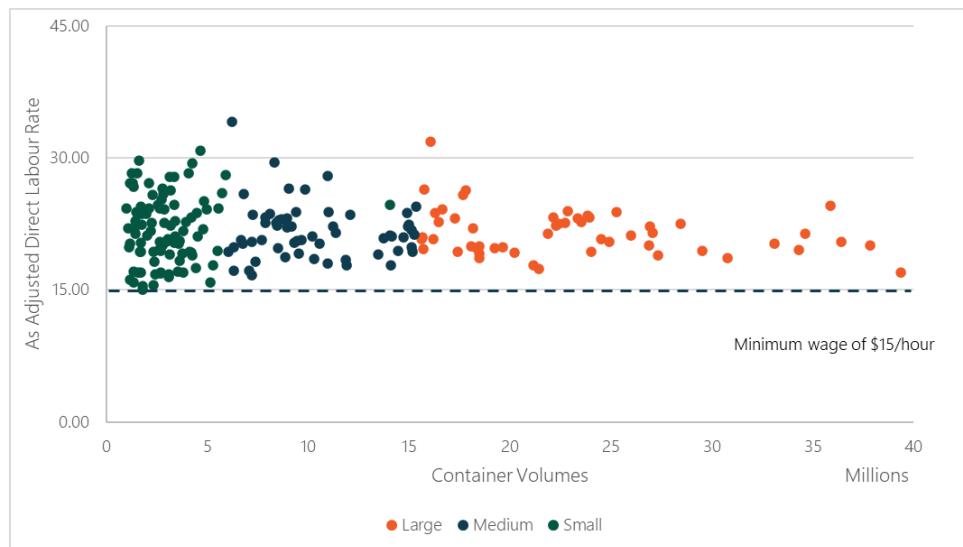
In the two figures below, we expand on the average cost per container and the average hourly wage shown in **Table 23**. **Figure 8** shows the cost per container by depot. There is more variability in the small and medium depots in this cost, though there is still significant variability between depots in the large size class.

Figure 8 – As Adjusted Direct Labour Cost Per Container



As with **Figure 8**, **Figure 9** shows more variability in small and medium depots, though there is not a direct correlation between wages paid and container volume processed. Note, one depot paid wages below the minimum wage due to participating in a subsidized employment program.

Figure 9 – As Adjusted Average Direct Labour Hourly Wage by Depot



5.2.5 Collector Labour

Collector labour is related to offsite collections tasks which are limited to employees going offsite to collect containers from customers (as opposed to customers bringing containers into the depot) and any initial

sorting and counting of containers performed by employees offsite. Collector labour does not include any time for employees processing containers once they are received at the depot. Compared to the 2024 AUR, collector labour hours increased from 86,371 to 129,556, and the average hourly wage for collector labour increased from \$20.91 to \$20.98. This resulted in a year-over-year increase in collector labour costs from \$1,805,842 to \$2,717,833.

Table 24 summarizes the collection labour hours and dollars for each of the three depot size categories.

Table 24 – As Adjusted Collector Labour²¹

Depot Category	Total Hours	Total Dollars
Small	28,893 \$	588,569
Medium	39,738 \$	832,474
Large	60,925 \$	1,306,188
Total	129,556 \$	2,727,230

Table 25 summarizes collector labour statistics.

Table 25 – As Adjusted Collector Labour Statistics

	Small	Medium	Large	Total
Depots Reporting Collector Labour Costs	49	32	35	116
% of Total	50.5%	54.2%	66.0%	55.5%
Depots Reporting Collector Labour Hours	49	32	35	116
% of Total	50.5%	54.2%	66.0%	55.5%
Average Hourly Wage (\$/Hour)	\$ 20.37	\$ 20.95	\$ 21.44	\$ 21.05
Average Cost per Container (\$/container)	0.21	0.14	0.11	0.13
Average Time Per Container (s/container)	0.38	0.24	0.18	0.22

More details on offsite collections can be found in Section 6 – Offsite Offsite Collection Costs.

5.2.6 Overhead Labour

The final portion of labour is allocated to overhead or manager labour. This portion of labour totaled \$17.3 million in 2024, which compares with 18.0 million in the 2024 AUR. From the 2024 AUR to the 2025/2026 HCR, overhead labour hourly rates decreased from \$31.51 to \$30.73, and total overhead labour hours decreased by 6,155.

The breakdown between depot size classifications is shown in **Table 26**.

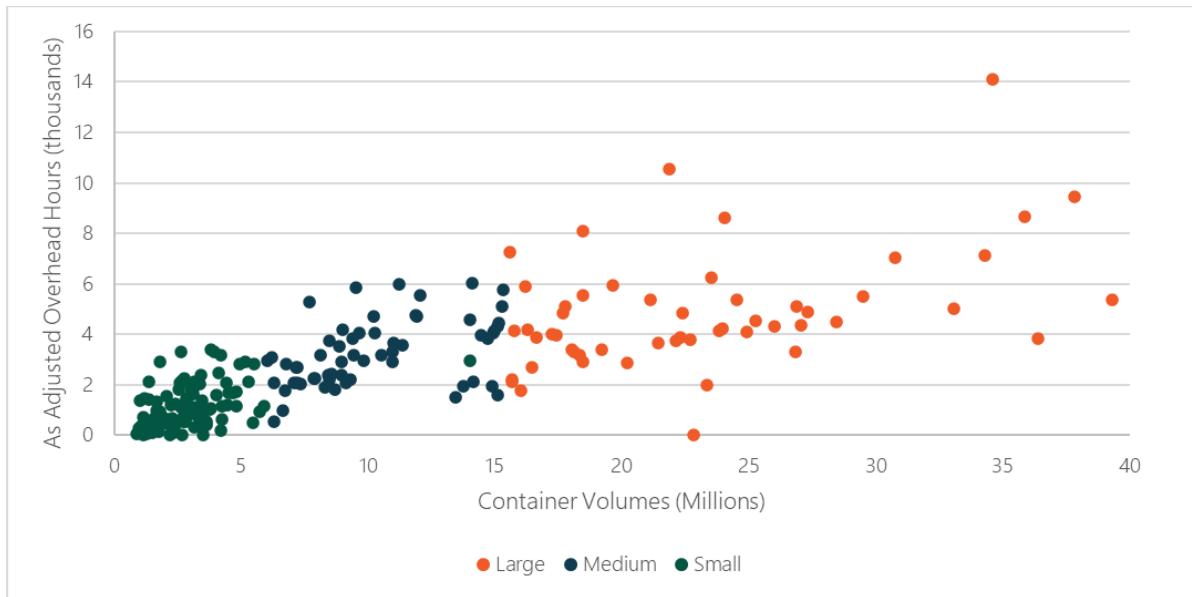
Table 26 – As Adjusted Overhead Labour

Depot Category	Total Hours	Total Dollars
Small	112,869 \$	2,913,133
Medium	192,550 \$	6,016,018
Large	258,491 \$	8,399,171
Total	563,910 \$	17,328,321

²¹ Costs included in Table 4 are totals prior to the Offsite Collections Cap. The application of this cap reduced these costs by \$582,000.

Figure 10 shows the total adjusted overhead labour hours per depot and the variability in overhead labour hours between depots.

Figure 10 – As Adjusted Overhead Labour Hours by Container Volume



This variability is also found when comparing overhead labour cost per container as shown in **Figure 11**.

Figure 11 – As Adjusted Overhead Labour Cost per Container

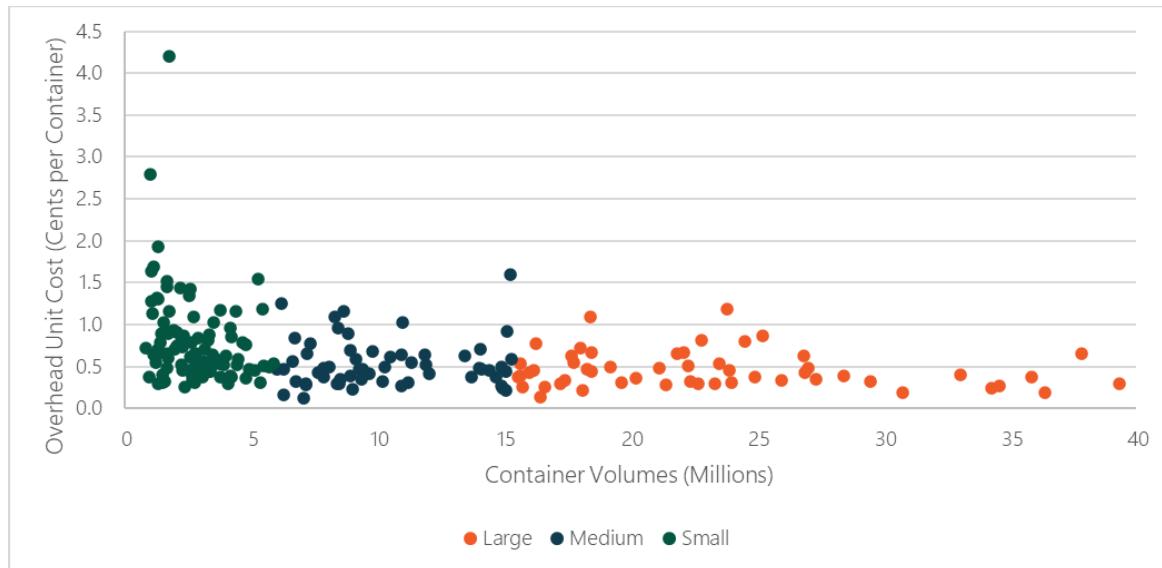
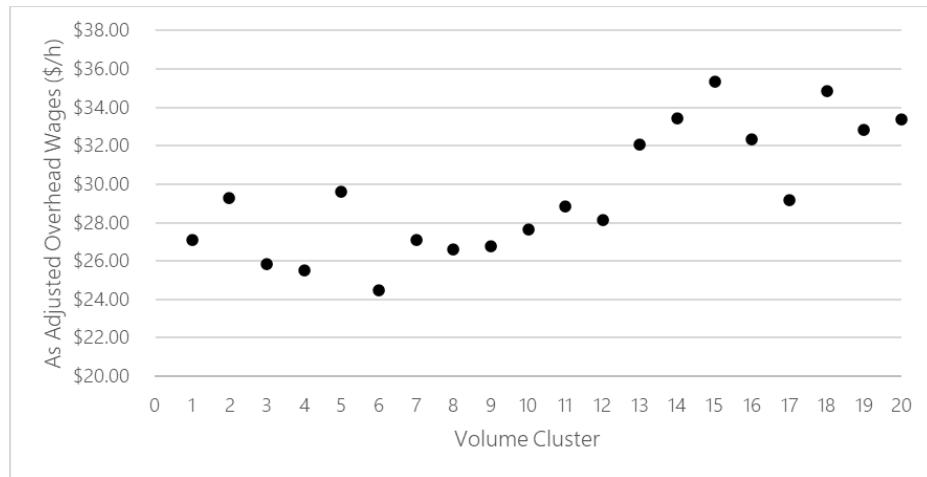


Figure 12 shows the average hourly wage for each volume cluster. While wages appear to increase along with depot size in general, there is significant variance in the average hourly wage.

Figure 12 – As Adjusted Average Overhead Hourly Wage



In **Figure 13**, operating hours per week, additional hours per week, and adjusted overhead hours per week are shown. Operating hours are those hours that depots are open to the public. Additional hours are hours that depots are not open to the public but are considered operational and are used for additional sorting and shipping; preparing to open; cleaning up after closing; and after-hours management functions such as hiring, interviewing new staff, planning, and meeting with professionals. In general, overhead hours follow the trend of the sum of operating hours and additional hours.

In volume clusters where overhead hours per week substantially exceeded operating hours per week, depots tended to have reported requiring at least one manager on the floor to oversee employees processing containers, plus an additional manager to perform bookkeeping/reporting functions. These were typically larger depots and/or multi-businesses, sometimes involving more than one depot.

Figure 13 – As Adjusted Operating Hours, Additional Hours, and Overhead Hours per Week

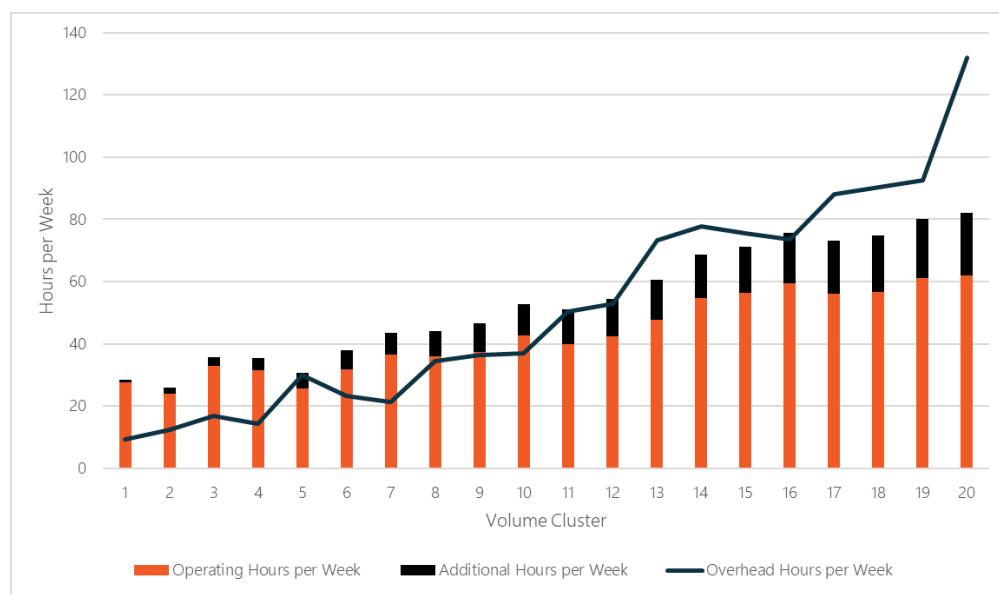


Table 27 shows overhead labour statistics for the year. Approximately 8% of depots did not report overhead labour in their allocations. These depots felt that the Leadhand and Bookkeeper classifications better described the work performed by their managers at the depot, so the time was allocated there.

Table 27 – As Adjusted Overhead Labour Statistics

	Small	Medium	Large	Total
Depots Reporting Overhead Labour Costs	90	56	46	192
% of Total	93%	95%	87%	92%
Depots Reporting Overhead Labour Hours	90	56	46	192
% of Total	93%	95%	87%	92%
Average Hourly Wage (\$/Hour)	\$ 25.81	\$ 31.24	\$ 32.49	\$ 30.73
Average Cost per Container (¢/container)	1.06	0.99	0.68	0.82
Average Time Per Container (s/container)	1.48	1.14	0.76	0.96

Overhead Labour Statistics and Profit

This section contains a comparison of overhead labour statistics for profitable and unprofitable depots. **Table 28** shows a breakdown of profitable and unprofitable depots by tax ownership type. For the profitable and unprofitable depots section, the “Other” category includes the categories sole proprietorships, registered charities, and partnerships. These categories were grouped together as the number of depots reporting in each category were too small to maintain anonymity.

Table 28 – As Adjusted Overhead Labour Statistics and Profit By Tax Ownership Type

Category	Number of Depots Reporting	As Adjusted Profit Before Tax	Overhead Labour Hours	Overhead Labour Cost	FY Volume	Manager Labour Cost (¢/container)	Manager Labour Rate (\$/Hour)
All Unprofitable Depots							
Incorporated	73	\$ (3,862,098)	137,129	\$ 4,019,591	387,725,336	1.04	\$ 29.31
Other	25	\$ (1,446,870)	43,957	\$ 1,449,606	130,260,038	1.11	\$ 32.98
Subtotal	98	\$ (5,308,968)	181,087	\$ 5,469,198	517,985,374	1.06	\$ 30.20
All Profitable Depots							
Incorporated	107	\$ 16,900,966	372,079	\$ 11,482,514	1,541,807,544	0.74	\$ 30.86
Other	4	\$ 155,124	10,745	\$ 376,609	50,527,796	0.75	\$ 35.05
Subtotal	111	\$ 17,056,091	382,824	\$ 11,859,123	1,592,335,340	0.74	\$ 30.98
All Depots							
Sole Proprietorship	15	\$ (681,345)	16,102	\$ 452,124	30,140,954	1.50	\$ 28.08
Incorporated	180	\$ 13,038,868	509,208	\$ 15,502,105	1,929,532,881	0.80	\$ 30.44
Registered Charity	11	\$ (537,415)	34,606	\$ 1,254,762	136,493,501	0.92	\$ 36.26
Other	3	\$ (72,985)	3,995	\$ 119,329	14,153,379	0.84	\$ 29.87
Total	209	\$ 11,747,122	563,910	\$ 17,328,321	2,110,320,715	0.82	\$ 30.73

As shown above, unprofitable depots pay \$0.78 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 1.06 cents per container, whereas profitable depots are paying 0.74 cents per container.

Table 29 shows a similar comparison between multi-businesses and single businesses.

Table 29 – As Adjusted Overhead Labour Statistics and Profit by Multi and Single Business

Depot Category	Number of Depots Reporting	As Adjusted Profit Before Tax	Manager Labour Hours	Manager Labour Cost	FY Volume	Manager Labour Cost (\$/container)	Manager Labour Rate (\$/Hour)
All Unprofitable Depots							
Multi-Business	18	\$ (1,224,892)	36,779	\$ 1,192,920	86,277,448	1.38	\$ 32.43
Single Business	80	\$ (4,084,076)	144,307	\$ 4,276,278	431,707,926	0.99	\$ 29.63
<i>Subtotal</i>	<i>98</i>	<i>\$ (5,308,968)</i>	<i>181,087</i>	<i>\$ 5,469,198</i>	<i>517,985,374</i>	<i>1.06</i>	<i>\$ 30.20</i>
All Profitable Depots							
Multi-Business	8	\$ 1,225,301	18,387	\$ 511,873	86,980,607	0.59	\$ 27.84
Single Business	103	\$ 15,830,789	364,437	\$ 11,347,250	1,505,354,733	0.75	\$ 31.14
<i>Subtotal</i>	<i>111</i>	<i>\$ 17,056,091</i>	<i>382,824</i>	<i>\$ 11,859,123</i>	<i>1,592,335,340</i>	<i>0.74</i>	<i>\$ 30.98</i>
All Depots							
Multi-Business	26	\$ 410	55,166	\$ 1,704,793	173,258,056	0.98	\$ 30.90
Single Business	183	\$ 11,746,713	508,744	\$ 15,623,528	1,937,062,659	0.81	\$ 30.71
Total	209	\$ 11,747,122	563,910	\$ 17,328,321	2,110,320,715	0.82	\$ 30.73

This table also shows that overhead labour hourly wages are consistent between multi-businesses (\$30.90 per hour) and single businesses (\$30.71 per hour), with multi-businesses paying slightly more than single businesses for overhead labour per container.

The final overhead labour comparison is between depots run for profit and depots that are not-for-profit.

Table 30 – As Adjusted Overhead Labour Statistics and Profit by For-Profit and Not-For-Profit

Depot Category	Number of Depots Reporting	As Adjusted Profit Before Tax	Manager Labour Hours	Manager Labour Cost	FY Volume	Manager Labour Cost (\$/container)	Manager Labour Rate (\$/Hour)
All Unprofitable Depots							
For-Profit	87	\$ (4,555,340)	152,681	\$ 4,455,998	415,171,095	1.07	\$ 29.18
Not-For-Profit	11	\$ (753,628)	28,405	\$ 1,013,200	102,814,279	0.99	\$ 35.67
<i>Subtotal</i>	<i>98</i>	<i>\$ (5,308,968)</i>	<i>181,087</i>	<i>\$ 5,469,198</i>	<i>517,985,374</i>	<i>1.06</i>	<i>\$ 30.20</i>
All Profitable Depots							
For-Profit	108	\$ 16,553,544	373,944	\$ 11,509,902	1,532,126,134	0.75	\$ 30.78
Not-For-Profit	3	\$ 502,547	8,880	\$ 349,221	60,209,206	0.58	\$ 39.33
<i>Subtotal</i>	<i>111</i>	<i>\$ 17,056,091</i>	<i>382,824</i>	<i>\$ 11,859,123</i>	<i>1,592,335,340</i>	<i>0.74</i>	<i>\$ 30.98</i>
All Depots							
For-Profit	195	\$ 11,998,204	526,625	\$ 15,965,900	1,947,297,230	0.82	\$ 30.32
Not-For-Profit	14	\$ (251,081)	37,285	\$ 1,362,421	163,023,485	0.84	\$ 36.54
Total	209	\$ 11,747,122	563,910	\$ 17,328,321	2,110,320,715	0.82	\$ 30.73

Table 30 shows that for-profit depots are paying significantly lower hourly overhead wages than not-for-profit depots. For the Study System, this difference is \$6.22 per hour.

5.3 Building Costs

Building costs are the second largest cost in the system, totaling \$25.3 million in As Adjusted Data in 2024. This compares to \$23.1 million in 2023, a 10% increase. Building data is adjusted by the square footage and the lease rate. Square footage is capped using the procedure identified in BCMB's Depot Building Size Cap Policy, and costs reported by depots are replaced in accordance with BCMB's Depot Building Deemed Lease Rate Policy – these two changes account for the difference between As Accepted and As Adjusted building costs. This section describes our analysis of these changes and our assessment of the building costs depots incur.

Table 31 summarizes the As Reported, As Accepted, and As Adjusted Data for building costs. Note that minor differences between the As Reported and As Accepted Data totaling approximately \$40,000 were due to correcting depot cost allocations.

Table 31 – Building Cost Summary

	As Reported		As Accepted		As Adjusted	
	Total	Average	Total	Average	Total	Average
Use Costs	\$ 4,975,527	\$ 23,806	\$ 5,004,976	\$ 23,947	\$ 8,890,093	\$ 42,536
Lease Costs	\$ 19,712,999	\$ 94,321	\$ 19,723,694	\$ 94,372	\$ 16,416,734	\$ 78,549
Total	\$ 24,688,526	\$ 118,127	\$ 24,728,670	\$ 118,319	\$ 25,306,826	\$ 121,085

5.3.1 Building Square Footage

Table 32 summarizes Study System depots' square footage by location and size classification.

Table 32 – BCMB Measured Square Footage

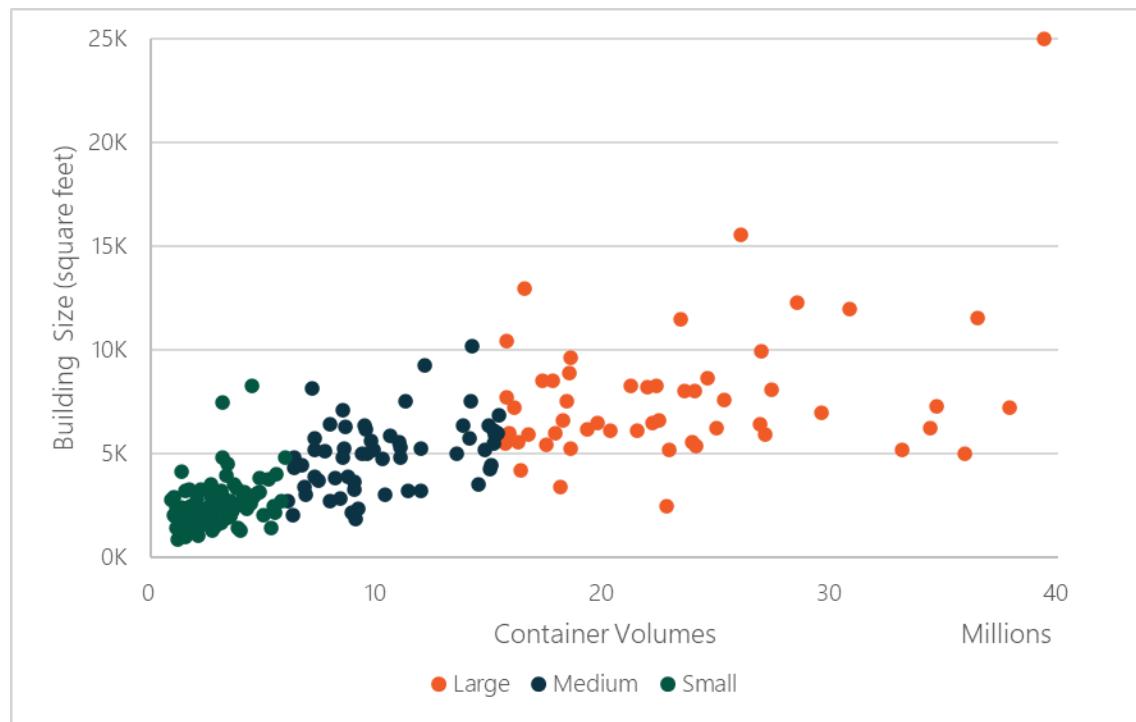
Depot Category	Number of Depots	Total Square Footage	Average Square Footage
Location Classification			
Metro	50	329,404	6,588
Urban	37	263,481	7,121
Rural	122	338,144	2,772
Total	209	931,029	4,455
Size Classification			
Small	97	237,157	2,445
Medium	59	290,784	4,929
Large	53	403,088	7,605
Total	209	931,029	4,455

When UCA packages are prepared, depots' square footage on record (i.e., previously measured by BCMB or reported by depots) is reported to depots on UCA Table 5. Depots are asked to verify the measurements and provide information if their square footage has changed since their square footage was last recorded, or if they disagree with the measurements provided. In these cases, the DCA updates its record in accordance with

depots' most current reported square footage. The BCMB reserves the right to further verify depot square footage through site visits.

Figure 14 shows the square footage by container volume. As seen in this figure, larger depots generally use more space.

Figure 14 – Building Square Footage by Container Volume



In the UCA, depots are asked to split their square footage into the following categories: office, customer interface, loading, sorting, and storage. Each of these categories is described below:

- **Office:** Space used for administrative functions. This space would include back rooms that are offices, lunchrooms, bathrooms, or any other space devoted to administrative functions.
- **Customer Interface:** Space used to serve customers including counter space, payment stations, waiting areas, and any other area used for serving customers.
- **Loading:** Space devoted primarily to loading trucks.
- **Sorting:** Space devoted to sorting containers into shipment bags or pallets for storage. Generally, this space is located behind the service counters and includes area for counting and sorting containers to prepare them for shipping.
- **Storage:** Space primarily used for bulk storage of filled shipment bags or pallets until they can be loaded onto trucks.

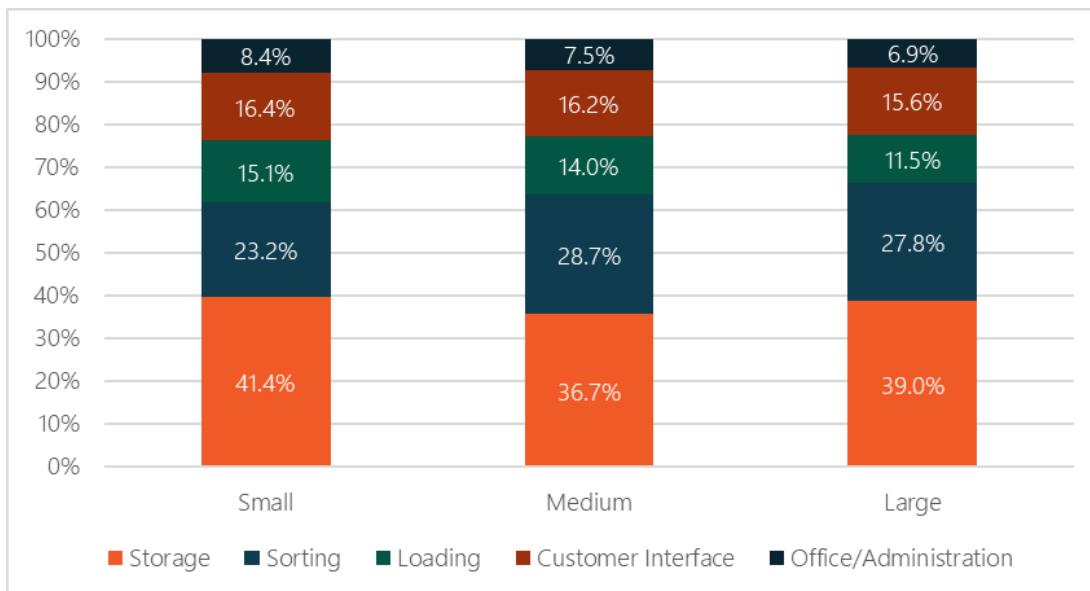
Table 33 summarizes the system allocations to these categories.

Table 33 – Classification of Building Space

Category	Total Square Footage	Percentage
Office	68,718	7.4%
Customer Interface	146,071	15.7%
Loading	109,743	11.8%
Sorting	256,484	27.5%
Storage	350,012	37.6%
Total	931,029	100.0%

Figure 15 shows the average building space allocation percentage for each depot size classification. These allocations are relatively consistent across depot size classification.

Figure 15 – Classification of Building Space by Size Classification



5.3.2 Determination of the Building Square Footage Cap

Using the methodology outlined in the BCMB's Depot Building Size Cap Policy, we have analyzed building volume groups to be used. We have considered the percent change in volume and efficiency between members of each group, the number of depots in each group, and the total volume processed in each group to create four building volume groups with the following volume ranges:

- Fewer than 2,999,999 containers
- 3,000,000 – 6,999,999 containers
- 7,000,000 – 14,999,999 containers
- 15,000,000 – 24,999,999 containers

- Greater than 25,000,000 containers

The reduction in the number of volume groups as compared with those recommended by the policy is due to the minimal (less than 100 square feet) differences in square footage cap suggested when using seven volume clusters.

Table 34 summarizes the size caps used in the Total System.

Table 34 – Total System Building Square Footage Cap Calculation

Building Volume Group	Volume Range	Number of Depots	Total System Square Feet	Maximum Square Feet Per Depot	Total System Adjusted Square Feet	% Reduction
1	-	2,999,999	68	143,321	3,500	142,641
2	3,000,000	6,999,999	47	150,606	4,900	141,421
3	7,000,000	14,999,999	48	244,662	7,500	240,207
4	15,000,000	24,999,999	42	285,972	9,000	274,963
5	25,000,000	+ 16	145,911	11,600	131,409	9.9%
Total	-	25,000,000+	221	970,472	11,600	930,641
						4.1%

As seen in **Table 34** there is variability in the number of depots in each building volume group; however, the depots in these groups processed containers with similar efficiency and in that respect were similarly sized.

Overall, the application of the cap removes a total of 4.1% of total reported square footage (or 40,000 square feet) from the system. During the 2024 AUR, the application of the cap removed 3.6% of total reported square footage (or 34,631 square feet). We believe this is reasonable as only 13 depots were affected by the cap.

Figures 16 and **17** show building utilization, calculated as containers per square foot, against both total square footage and container volume.

Figure 16 – Building Utilization Per Square Foot

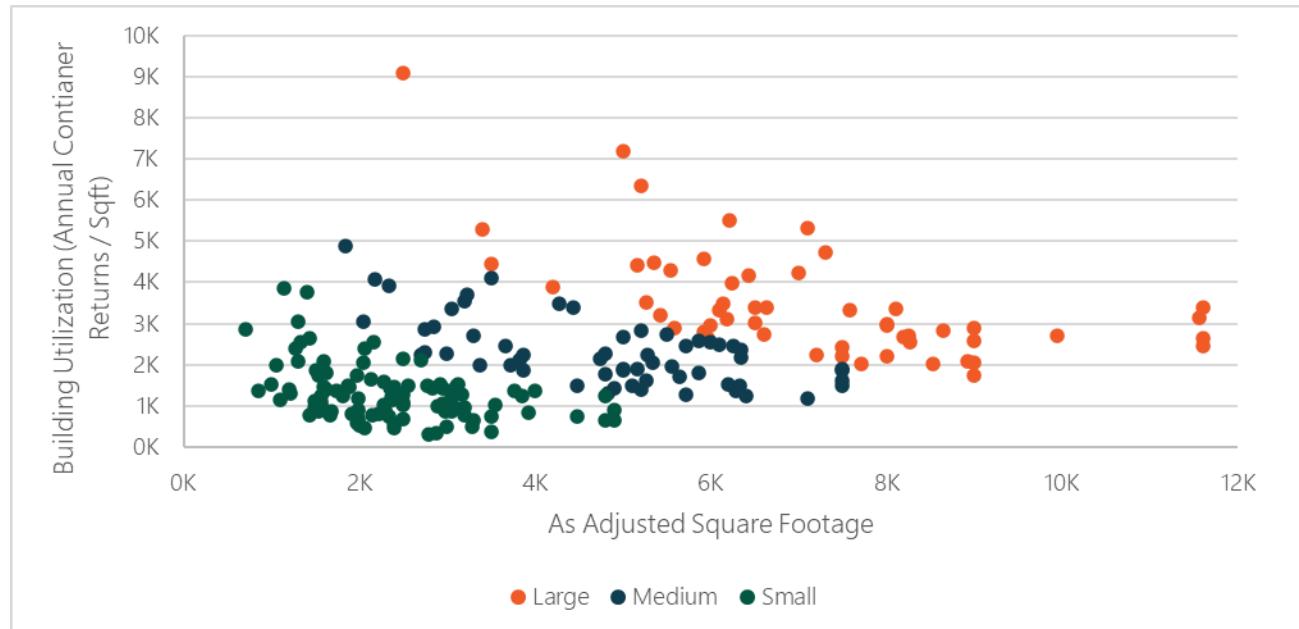
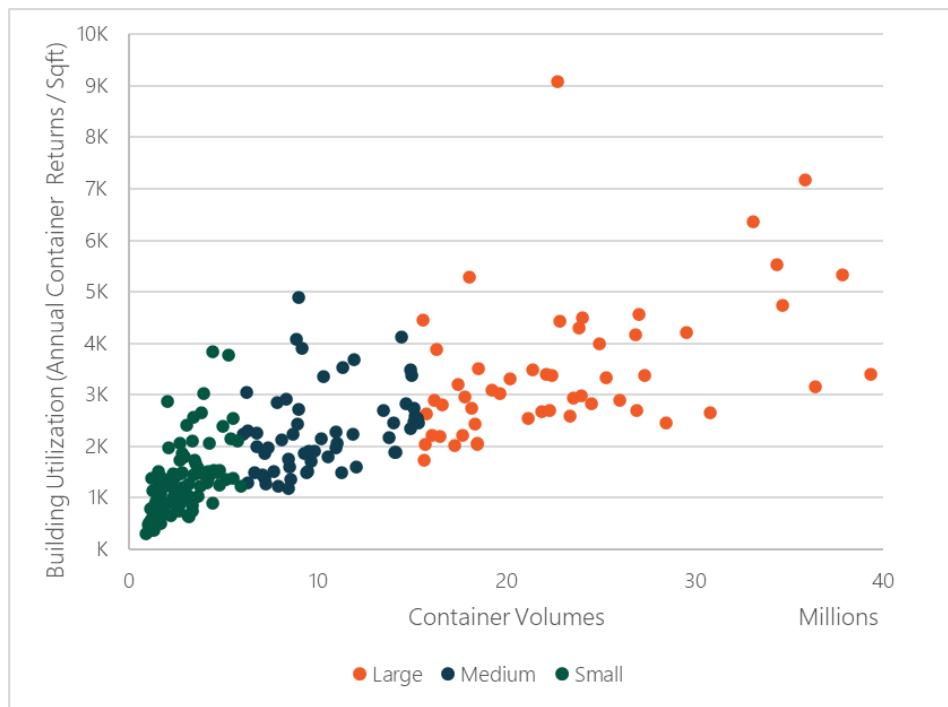
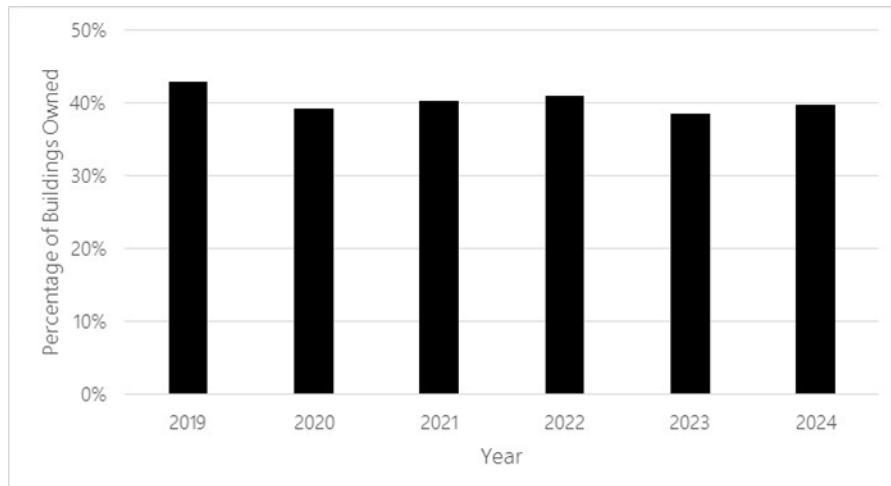


Figure 17 – Building Utilization Per Container Volume


These figures demonstrate that there is high variability in the number of containers processed per square foot of space used by the depot. Some of this variability may be due to the limited number of available buildings suitable for running a depot. While it does seem that larger depots use more space than smaller depots, there are also some large and medium depots that use square footage more efficiently.

Depots have the option to lease or own the building out of which they operate. In the UCA, depots identify whether they lease or own their buildings. Over time, the proportion of depots that own their buildings has stabilized around 40%. As we do not collect detailed information on leases (except anecdotally), we cannot provide the number of third-party or related-party leases that are being utilized in the system.

Figure 18 shows the percentage of depots that have owned their building over the past six years.

Figure 18 – Percentage of Depot Buildings Owned by Depot Owner


5.3.3 Building Costs

During the UCA review process, depot reported costs were verified with tax documents and financial statements as detailed in Section 2.3. During this process, the only costs altered in the As Accepted Data were to more accurately categorize depot-reported costs. **Table 31** earlier in this section summarizes the changes between the As Reported, As Accepted and Adjusted Data.

As shown in **Table 31**, costs were increased by \$600,000 through the process outlined in the Depot Building Deemed Lease Rate Policy and detailed below. This change is likely due to several factors including the following:

- **Non-third-party leases:** Some depots rent their facilities from related parties for tax planning purposes. As such, some portion of rental costs may include profit sharing between these businesses.
- **Depots with excess building space:** As seen in **Figure 16** – Building Utilization Per Square Foot and **Figure 17** – Building Utilization Per Container Volume, there is a high degree of variability in the number of containers processed per square foot of available space. In some cases, depots with limited space have found ways to run their business effectively. These strategies could be used to decrease the space used by depots with lower utilization rates.
- **Deemed building costs:** building costs deemed by the Real Estate Expert (described below) resulted in a higher cost per square foot than depots reported on their UCAs.

Based on the analysis presented in the CBRE Real Estate Expert Report²², the rates suggested are reasonable. The total As Adjusted dollars shown in **Table 31** – Building Cost Summary at the beginning of this section were calculated using rates provided by CBRE. These rates are shown in **Table 35**.

Table 35 – CBRE Market Rent and Expense Summary

Building Group	2021	2022	2023	2024	2025	2025	2025 Utilities	2025 Insurance	2025 Maintenance	2025 Use Costs
	NNN Rent	Property taxes								
Calgary Retail	\$ 34.00	\$ 36.00	\$ 35.00	\$ 38.50	\$ 39.50	\$ 8.00	\$ 14.00	\$ 0.30	\$ 3.50	\$ 25.80
Calgary Commercial	\$ 16.75	\$ 17.75	\$ 18.50	\$ 20.50	\$ 21.50	\$ 6.50	\$ 4.00	\$ 0.25	\$ 3.00	\$ 13.75
Edmonton Retail	\$ 27.00	\$ 27.00	\$ 30.00	\$ 31.00	\$ 32.00	\$ 7.50	\$ 3.25	\$ 0.30	\$ 5.00	\$ 16.05
Edmonton Commercial	\$ 14.50	\$ 14.25	\$ 14.00	\$ 14.00	\$ 14.00	\$ 3.50	\$ 3.75	\$ 0.25	\$ 1.75	\$ 9.25
Edmonton Industrial	\$ 9.75	\$ 10.00	\$ 11.00	\$ 10.75	\$ 11.00	\$ 4.00	\$ 3.75	\$ 0.20	\$ 1.25	\$ 9.20
Bedroom City	\$ 24.00	\$ 25.00	\$ 25.00	\$ 26.00	\$ 26.50	\$ 3.00	\$ 4.00	\$ 0.20	\$ 2.50	\$ 9.70
North City	\$ 13.25	\$ 12.50	\$ 12.75	\$ 13.00	\$ 14.00	\$ 2.25	\$ 3.50	\$ 0.40	\$ 3.50	\$ 9.65
South City	\$ 11.75	\$ 12.00	\$ 12.25	\$ 13.25	\$ 13.25	\$ 2.00	\$ 3.00	\$ 0.20	\$ 2.00	\$ 7.20
Rural North Town	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.75	\$ 16.00	\$ 1.65	\$ 3.25	\$ 0.20	\$ 2.00	\$ 7.10
Rural South Town	\$ 15.50	\$ 14.50	\$ 16.50	\$ 16.50	\$ 17.50	\$ 1.75	\$ 2.75	\$ 0.20	\$ 1.50	\$ 6.20
Rural Village	\$ 10.00	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 1.75	\$ 3.50	\$ 0.20	\$ 2.00	\$ 7.45
Rural Hamlet	\$ 9.00	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 2.00	\$ 3.50	\$ 0.15	\$ 2.00	\$ 7.65

²²All values in \$/SF per annum

²²All values as of July 1 of each year

Using the 2025 Triple Net (NNN) Rent, the 2025 Use Costs columns, and the Real Estate Expert depot classification for building group, we have produced **Table 36** which summarizes adjusted values for average square footage, lease costs, use costs, and dollars per square foot by building group classification.

²² HCR document 27 - 2025.08.11.Real.Estate.Expert.Final.Report.CBRE

Table 36 – As Adjusted Building Costs

Building Group	Number of Depots	Average Square Footage	Average Lease Cost	Average Use Cost	Average Total Cost	Average \$/Square Foot
	Reported					
Calgary Retail	10	6,505	\$ 256,936	\$ 167,821	\$ 424,757	\$ 65.30
Calgary Commercial	16	6,803	\$ 146,274	\$ 93,547	\$ 239,821	\$ 35.25
Edmonton Retail	3	6,360	\$ 203,531	\$ 102,083	\$ 305,614	\$ 48.05
Edmonton Commercial	14	6,508	\$ 91,108	\$ 60,196	\$ 151,304	\$ 23.25
Edmonton Industrial	5	6,177	\$ 67,945	\$ 56,827	\$ 124,771	\$ 20.20
Bedroom City	13	5,066	\$ 134,245	\$ 49,139	\$ 183,384	\$ 36.20
North City	5	8,646	\$ 121,041	\$ 83,432	\$ 204,473	\$ 23.65
South City	14	6,935	\$ 91,886	\$ 49,930	\$ 141,816	\$ 20.45
Rural North Town	34	3,308	\$ 52,931	\$ 23,488	\$ 76,420	\$ 23.10
Rural South Town	52	3,180	\$ 55,652	\$ 19,717	\$ 75,368	\$ 23.70
Rural Village	37	2,152	\$ 22,054	\$ 16,030	\$ 38,084	\$ 17.70
Rural Hamlet	5	1,557	\$ 14,406	\$ 11,914	\$ 26,320	\$ 16.90
Study System	209	4,264	\$ 78,549	\$ 42,536	\$ 121,085	\$ 28.40

According to CBRE's report, the average market cost of a building, including use costs, is \$28.40 per square foot. When these rates are applied to the Total System of depots, because of the different building group classification mix, the average system rate is \$28.63 per square foot.²³

The building costs provided by CBRE and applied to the capped square footage reasonably reflect the costs of the system and adhere to BCMB policies. These costs should be included in the Revenue Requirement.

5.4 Vehicle and Equipment Costs

Vehicle and equipment costs are reported by depots on UCA Tables 6a Owned Equipment Costs, 6b Leased Equipment Costs, 6c Owned Vehicle Costs, and 6d Leased Equipment Costs. In 2024 these costs totalled \$11.9 million, making it a smaller cost category for depots than labour, buildings, or overhead.

Table 37 shows the As Reported, As Accepted, and As Adjusted total cost for vehicles and equipment. The changes between these data types are discussed in more detail in the subsections that follow.

Table 37 – Vehicle and Equipment Summary

	As Reported	As Accepted	As Adjusted
Small	\$ 1,762,844	\$ 1,793,778	\$ 1,744,134
Medium	\$ 2,626,879	\$ 2,635,031	\$ 2,482,400
Large	\$ 9,256,491	\$ 7,618,660	\$ 7,657,754
Total	\$ 13,646,214	\$ 12,047,469	\$ 11,884,288

²³ See Table 57 – Total Building Costs for more detail

Table 38 summarizes the costs by depot size classification.

Table 38 – As Adjusted Vehicle and Equipment Cost Summary

	Small	Medium	Large	Total
Equipment				
CCA	\$ 211,838	\$ 231,847	\$ 342,558	\$ 786,244
Lease Payments	\$ 179,351	\$ 1,016,780	\$ 3,937,203	\$ 5,133,334
Operating Costs	\$ 157,740	\$ 181,107	\$ 1,217,956	\$ 1,556,803
Total	\$ 548,929	\$ 1,429,734	\$ 5,497,717	\$ 7,476,381
Vehicles				
CCA	\$ 219,902	\$ 138,620	\$ 229,901	\$ 588,424
Lease Payments	\$ 24,772	\$ 146,710	\$ 679,549	\$ 851,031
Operating Costs	\$ 950,531	\$ 767,335	\$ 1,250,586	\$ 2,968,452
Total	\$ 1,195,205	\$ 1,052,665	\$ 2,160,036	\$ 4,407,907
Equipment and Vehicle Total	\$ 1,744,134	\$ 2,482,400	\$ 7,657,754	\$ 11,884,288

Owned assets are classified by CCA class in **Table 39**.

Table 39 – As Adjusted Owned Asset CCA Class Capital Cost Allowance by Depot Size Classification

CCA Class	Small	Medium	Large	Total Annual CCA Cost
1 - Buildings (bought after 1987)	\$ 0	\$ 0	\$ 0	\$ 0
6 - Storage Sheds	\$ 34,976	\$ 2,519	\$ 798	\$ 38,293
8 - Equipment	\$ 120,037	\$ 182,715	\$ 250,513	\$ 553,265
10 - Computer Hardware	\$ 35,797	\$ 2,673	\$ 10,540	\$ 49,011
10 - Motor Vehicles	\$ 219,902	\$ 119,452	\$ 214,574	\$ 553,929
10.1 - Passenger Vehicles	\$ 0	\$ 19,168	\$ 15,327	\$ 34,495
12 - Tools	\$ 0	\$ 1,779	\$ 0	\$ 1,779
13 - Leasehold Interest	\$ 0	\$ 0	\$ 0	\$ 0
14 - Patents	\$ 0	\$ 0	\$ 0	\$ 0
14.1 - Goodwill	\$ 0	\$ 0	\$ 0	\$ 0
17 - Parking Lots	\$ 0	\$ 50	\$ 520	\$ 570
29 - Machinery and Equipment	\$ 0	\$ 0	\$ 0	\$ 0
38 - Power-Operated Movable Eq	\$ 0	\$ 0	\$ 519	\$ 519
43 - Machinery and Equipment	\$ 15,809	\$ 13,485	\$ 39,044	\$ 68,337
45 - Electronic Equipment	\$ 2,233	\$ 3,570	\$ 13,932	\$ 19,736
50 - Computer Hardware	\$ 1,001	\$ 18,666	\$ 13,248	\$ 32,914
99 - Other	\$ 1,986	\$ 6,390	\$ 13,444	\$ 21,820
Total	\$ 431,741	\$ 370,467	\$ 572,460	\$ 1,374,668

Leased assets are classified by the DCA into one of the following categories: auto, building, office, or sorting/loading/cardboard. **Table 40** shows the breakdown of lease cost in these categories by depot size classification.

Table 40 – As Adjusted Leased Asset Lease Cost Category

	Auto	Building	Office	Sorting / Loading / Cardboard	Total
Small	\$ 24,416	\$ 9,600	\$ 33,636	\$ 136,115	\$ 203,767
Medium	\$ 142,409	\$ 121,728	\$ 143,864	\$ 751,188	\$ 1,159,189
Large	\$ 682,722	\$ 0	\$ 349,703	\$ 3,587,500	\$ 4,619,925
Total	\$ 849,547	\$ 131,328	\$ 527,203	\$ 4,474,802	\$ 5,982,881

Vehicle and equipment costs are broken down further in the sections below.

5.4.1 Vehicle Costs

Vehicle costs are separated into two categories, leased and owned. Depots identified leased vehicle assets by make and model, and the DCA confirmed these assets were vehicles. Owned vehicle assets were classified in any of the following CCA classes:

- 10 - Motor Vehicles;
- 10.1 - Passenger Vehicles;
- 16 - Taxis, Other Vehicles;
- 43.1 - Electrical Vehicle Charging Stations (supplying more than 10 kilowatts but less than 90 kilowatts of continuous power); and
- 43.2 - Electrical Vehicle Charging Stations (supplying 90 kilowatts or more of continuous power).

Table 41 below summarizes the aggregated leased and owned vehicle costs for depots in As Reported, As Accepted, and As Adjusted Data.

Table 41 – Vehicle Cost Summary

	As Reported	As Accepted	As Adjusted
Small	\$ 1,231,527	\$ 1,249,569	\$ 1,195,205
Medium	\$ 1,206,484	\$ 1,205,296	\$ 1,052,665
Large	\$ 2,133,473	\$ 2,133,473	\$ 2,160,036
Total	\$ 4,571,484	\$ 4,588,339	\$ 4,407,907

Changes between As Reported and As Accepted Data are due to the removal of vehicles used entirely for personal use (i.e., vehicles not used for business or offsite collections). The Stub UCA Adjustment is applied to the As Accepted Data. The portion of vehicle costs associated with personal use are then removed (i.e., the portion of costs related to business or offsite collections are carried forward to As Adjusted Data), resulting in As Adjusted Data.

This year, depots reported a total of 304 vehicles. During the UCA review process, the DCA collected information on the use of vehicles using the following three categories:

- **Personal Use:** Any driving by an employee for purposes not related to depot business.
- **Business Use:** Any driving by an employee for purposes related to depot business and unrelated to offsite collection use.
- **Offsite Collection Use:** Any driving by an employee for purposes related to offsite collection of containers. See Section 6 Offsite Collection Costs for further details.

Table 42 below summarizes the total As Accepted cost in each of these categories.

Table 42 – As Accepted Vehicle Cost By Use Type

	Personal	Business	Offsite Collections	Total Costs
Small	\$ 83,315	\$ 866,661	\$ 299,594	\$ 1,249,569
Medium	\$ 89,091	\$ 768,571	\$ 347,634	\$ 1,205,296
Large	\$ 88,696	\$ 1,022,373	\$ 1,022,405	\$ 2,133,473
Total	\$ 261,101	\$ 2,657,604	\$ 1,669,633	\$ 4,588,339

As shown in the table above, 6% of the cost reported was allocated by depots and the DCA to personal use, 58% was allocated to business use, and the remaining 36% was allocated to offsite collections. This compares to depots' initially reported allocations of 3% personal, 63% business, and 34% offsite collections. The DCA made changes to allocations provided by depots when the type of vehicle reported would not typically be used for the indicated activity (e.g., depots reporting using luxury vehicles for offsite collections).

All the decrease between As Accepted and As Adjusted Data was due to the removal of vehicle costs for personal use. We also see a slight increase in costs associated with business use due to the escalation of Stub UCAs. **Table 43** shows the total As Adjusted vehicle cost.

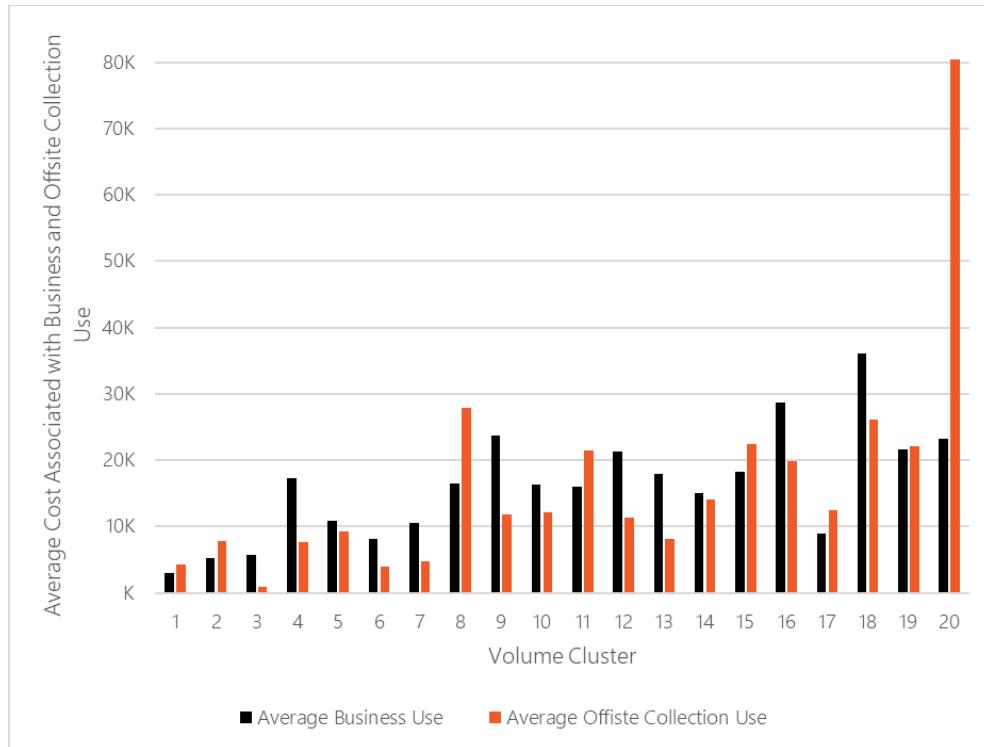
Table 43 – As Adjusted Vehicle Cost by Use Type

	Personal	Business	Offsite Collection	Total
Small	\$ 0	\$ 882,661	\$ 304,198	\$ 1,186,860
Medium	\$ 0	\$ 789,572	\$ 348,434	\$ 1,138,006
Large	\$ 0	\$ 1,043,058	\$ 1,039,984	\$ 2,083,042
Total	\$ 0	\$ 2,715,291	\$ 1,692,616	\$ 4,407,908

All costs allocated to offsite collections in **Table 43** have been included in the offsite collection analysis performed in conjunction with the BCMB's Offsite Collections Cap Policy. See Section 6 – Offsite Collections for further details.

Figure 19 shows the average As Adjusted vehicle cost for the business and offsite collections use categories.

Figure 19 – As Adjusted Vehicle Cost by Use Category and Volume Cluster



Vehicle costs are classified by depot into seven categories. **Table 44** summarizes these categories, showing the total vehicle costs associated with each size classification. Note that "other" vehicle costs include repairs, travel, delivery, parking, propane fuel, and parts purchased for vehicles.

Table 44 – As Adjusted Vehicle Costs

	Capital Cost Allowance	Loan Payments	Lease Payments	Maintenance	Gas or Mileage	Insurance & Registration	Other Costs	Total Costs
Small	\$ 219,903	\$ 811	\$ 24,772	\$ 217,440	\$ 535,999	\$ 137,747	\$ 58,534	\$ 1,195,206
Medium	\$ 138,620	\$ 0	\$ 146,710	\$ 139,804	\$ 433,555	\$ 145,905	\$ 48,070	\$ 1,052,665
Large	\$ 229,901	\$ 0	\$ 679,549	\$ 291,445	\$ 558,208	\$ 202,774	\$ 198,160	\$ 2,160,036
Total	\$ 588,425	\$ 811	\$ 851,031	\$ 648,689	\$ 1,527,762	\$ 486,425	\$ 304,764	\$ 4,407,907

Total vehicle cost by depot is shown in **Figure 20**.

Figure 20 – As Adjusted Vehicle Costs by Depot

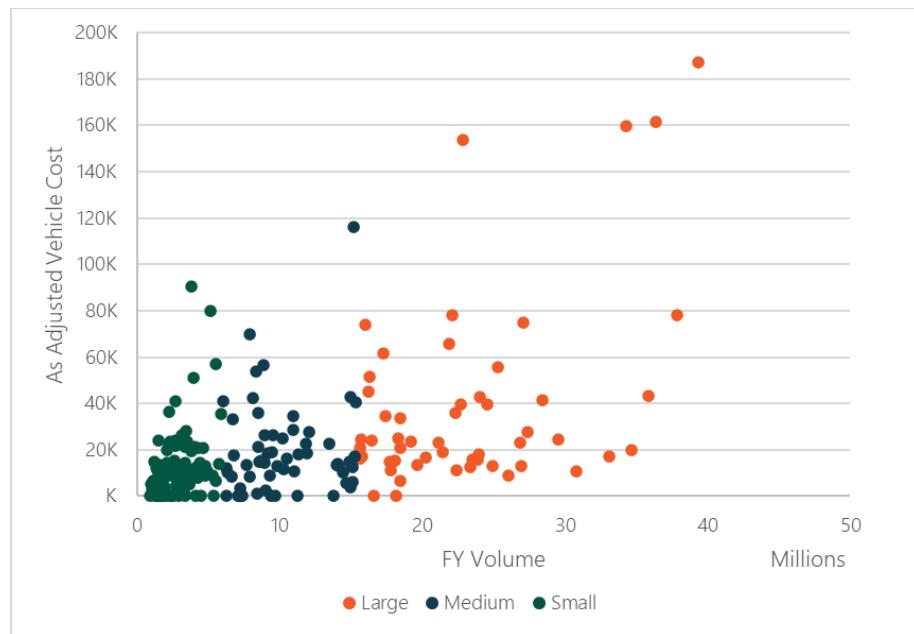


Figure 20 shows the variability in total vehicle cost by depot. Many depots report no vehicle costs and several depots that report very high vehicle costs.

Vehicle capital cost allowance (CCA) is broken down by CCA class in **Table 45**.

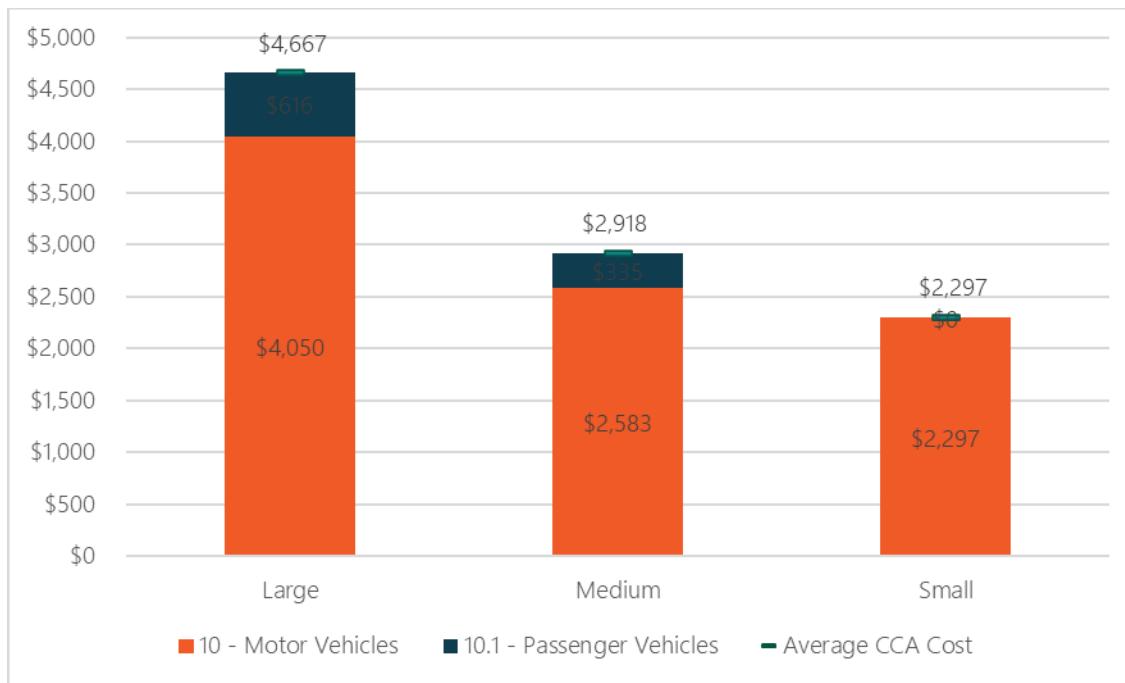
Table 45 – As Accepted Vehicle Capital Cost Allowance by Use Type

	Personal Use	Business Use	Offsite Collections	Total
10 - Motor Vehicles	\$ 38,813	\$ 422,025	\$ 127,664	\$ 588,503
10.1 - Passenger Vehicles	\$ 6,096	\$ 33,575	\$ 920	\$ 40,591
Total	\$ 44,909	\$ 455,600	\$ 128,584	\$ 629,093

In 2024, there were no vehicles reported in CCA classes 16, 43.1, or 43.2 so these categories have not been included. In addition, all passenger vehicles were used for personal or business use.

Figure 21 shows the average vehicle cost grouped by CCA class.

Figure 21 – As Adjusted Average Vehicle Cost by CCA Class



This figure shows that small depots used vehicles under CCA class 10 only, while medium and large depots used vehicles classified as both CCA class 10 and 10.1. This may indicate that depots of all sizes are purchasing vehicles that can be used for multiple purposes (i.e., both business and offsite collection use), while a few medium and large depots have enough business-related activities to have use for passenger vehicles.

In moving from As Accepted to As Adjusted Data, the costs associated with personal use are removed, while costs associated with business and offsite collection use are consistent between the two data types. **Table 46** breaks down the As Adjusted

Table 46 – As Adjusted Vehicle Lease Costs by Use Type

	Personal	Business	Offsite Collection	Total
Small	\$ 0	\$ 6,859	\$ 8,045	\$ 14,904
Medium	\$ 0	\$ 75,477	\$ 56,251	\$ 131,728
Large	\$ 0	\$ 257,391	\$ 410,971	\$ 668,361
Total	\$ 0	\$ 339,727	\$ 475,267	\$ 814,994

With the Stub UCA Adjustment and other adjustments made to remove personal vehicle costs, the As Adjusted vehicle costs fully represent the Study System and are included in the determination of the revenue requirement (subject to the offsite collections cap - see Section 6 Offsite Collections for further details).

5.4.2 Equipment Costs

Owned equipment costs are those costs related to assets classified in any of the following CCA classes:

- 0 - No CCA
- 6 - Storage Sheds
- 8 - Equipment
- 10 - Computer Hardware
- 12 - Tools
- 17 - Parking Lots
- 29 - Machinery and Equipment
- 38 - Power-Operated Moveable Equipment
- 43 - Machinery and Equipment
- 46 - Data Network Equipment
- 53 - Machinery and Equipment
- 99 – Other

Leased equipment costs are assets that are classified under one of the following classifications: building, office, or sorting / loading / cardboard. Descriptions of these items included security systems, garbage bins, computers, fax machines, phones, forklifts, POR equipment, lawn mowers, snow blowers, automation equipment, bailers, and conveyors. **Table 47** shows the As Reported, As Accepted, and As Adjusted Data for equipment cost.

Table 47 – Equipment Cost Summary by Depot Size Classification

	As Reported	As Accepted	As Adjusted
Small	\$ 531,318	\$ 544,209	\$ 548,929
Medium	\$ 1,420,394	\$ 1,429,734	\$ 1,429,734
Large	\$ 7,123,018	\$ 5,485,187	\$ 5,497,717
Total	\$ 9,074,730	\$ 7,459,130	\$ 7,476,381

The differences between As Reported and As Accepted Data are the removal of pieces of equipment reported by multi-businesses that were unrelated to depot business.

The As Adjusted total equipment cost of \$7.5 million compares with \$5.9 million in AUR 2024, an increase of 26.5%. Much of this increase was due to higher lease payment expenses (\$1.5 million year-over-year increase). In reviewing UCA submissions and discussing equipment costs from depots, the higher equipment costs could primarily be attributed to significant adoption of automation equipment, especially for larger depots.

Equipment costs are broken down into four categories as shown in **Table 48**. Other equipment costs include cleaning, insurance, fuel, and registration.

Table 48 – As Adjusted Equipment Costs by Depot Size Classification

	Amortization Expense	Lease Payments	Maintenance	Equipment Fuel	Other Costs	Total
Small	\$ 211,838	\$ 179,351	\$ 92,062	\$ 44,392	\$ 21,286	\$ 548,929
Medium	\$ 231,847	\$ 1,016,780	\$ 158,198	\$ 11,289	\$ 11,620	\$ 1,429,734
Large	\$ 342,558	\$ 3,937,203	\$ 1,039,440	\$ 10,279	\$ 168,237	\$ 5,497,717
Total	\$ 786,244	\$ 5,133,334	\$ 1,289,700	\$ 65,960	\$ 201,143	\$ 7,476,381

Figure 22 shows the As Adjusted equipment costs by depot. Equipment costs generally rise with depot size, however there is significant variation in these costs.

Figure 22 – As Adjusted Equipment Costs by Depot

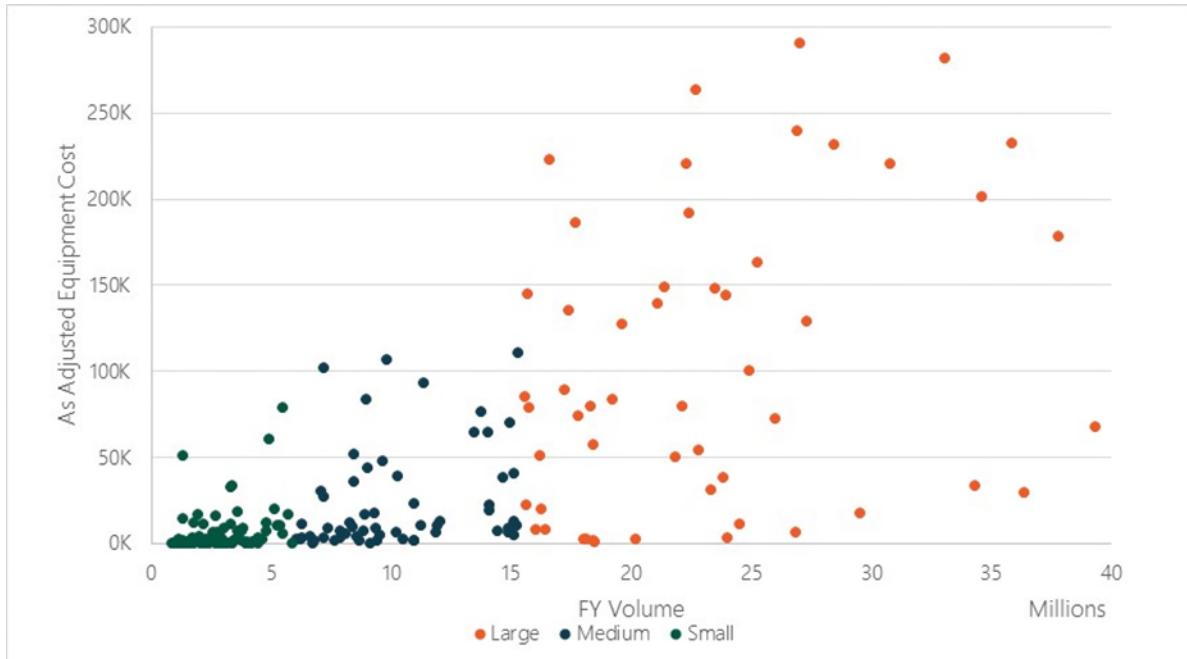
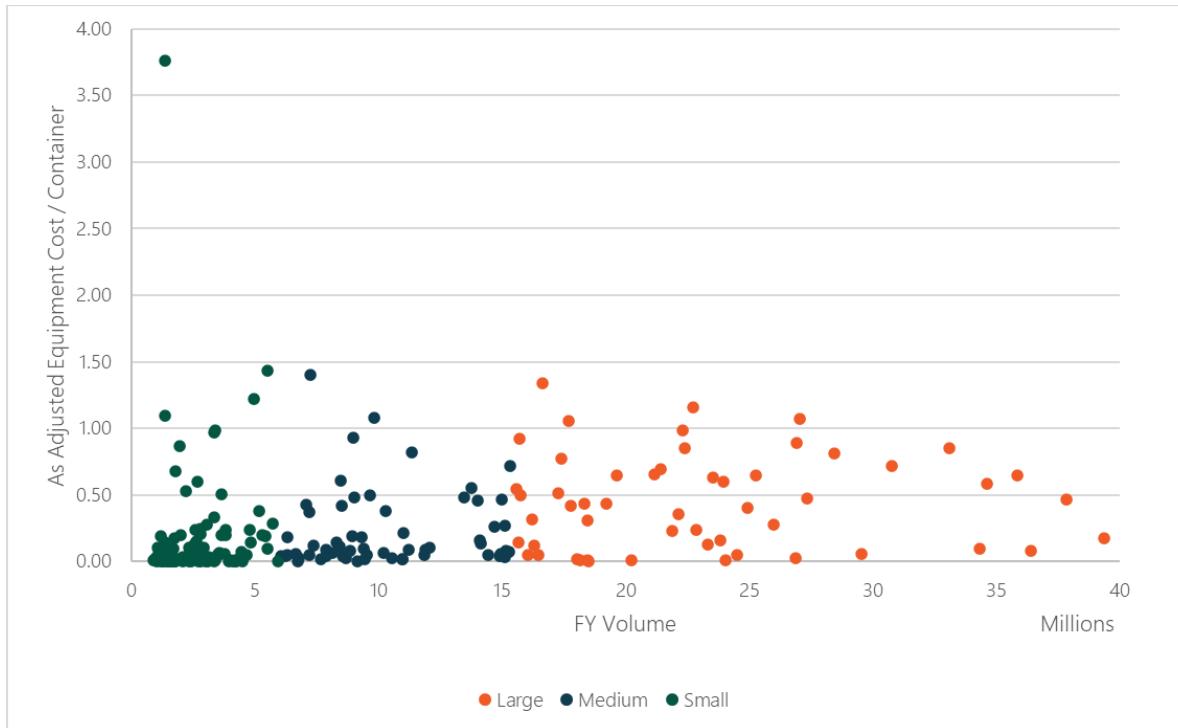


Figure 23 shows the equipment cost per container, which also has significant variation.

Figure 23 – As Adjusted Equipment Cost per Container



After reviewing costs provided by depots and applying the Stub UCA Adjustment, further adjustments are not required, and the total As Adjusted equipment costs should be included in the determination of the revenue requirement.

5.5 Overhead Costs

Overhead costs are reported on UCA Table 7. These costs include office costs, supply costs, and other costs related to running a depot that do not fall under any of the categories described above. **Table 49** summarizes the total overhead costs for As Reported, As Accepted, and As Adjusted Data.

Table 49 – Overhead Costs Summary

	As Reported	As Accepted	As Adjusted
Overhead Costs	\$ 17,721,195	\$ 14,105,681	\$ 13,950,175
Average Depot Cost	\$ 84,790	\$ 67,491	\$ 66,747
Total Cost (¢) / Container	0.84	0.67	0.66

As shown in **Table 49** above, there is a difference of \$3.6 million between the As Reported and As Accepted overhead costs. This reduction was primarily due to the removal of expenses identified by depots as management fees in the "other costs" section of the UCA. In discussion with these depots, it was identified that these management fees were profit sharing between related companies and there was no service provided; as such, they were removed. The other drivers of this reduction were removing items mis-categorized by depots as expenses (such as including container purchases/deposits, which instead appear on

Table 9) and re-categorizing "other costs" into more specific categories as appropriate (such as labour or building costs).

There is also a \$155,506 net difference between the As Accepted and As Adjusted Data. A \$515,462 decrease is due to the removal of Charitable Donations, BCMB Fines / Levies, and Goodwill CCA from the Adjusted data. It has been deemed that while these costs are incurred by the depots, they should not be included in the revenue requirement for the following reasons:

- Charitable donations are deemed to be a personal or shareholder cost that should not be included in the determination of the revenue requirement.
- BCMB Fines/Levies are avoidable expenses that, if a depot is compliant with the criteria set out in the BCMB's Depot By-law, will not be incurred.
- Goodwill CCA has been excluded. Goodwill is a value that is based on the projected future cashflows of an individual depot which is based on the revenue requirement / return margin calculated in the handling commission review. Including the associated CCA as a cost in the determination of revenue requirement/return margin can result in an inappropriate calculation of margin on the expected margin. The removal of goodwill CCA from overhead costs is consistent with the approach used in the 2013/14, 2016/17, and 2019/20 HCRs and subsequent AURs, as well as with rate setting standard practices in the utilities sector in Alberta.

The remaining net difference (a \$359,956 increase) is due to the Stub UCA Adjustment.

Figure 24 shows the As Adjusted average overhead costs per container for each of the size classifications. These costs are relatively consistent between large and medium depots; however, as many costs are fixed (telephone costs, internet costs, professional fees, insurance costs, etc.), smaller depots that process fewer containers are seen to incur somewhat higher costs per container.

Figure 24 – Overhead Cost per Container

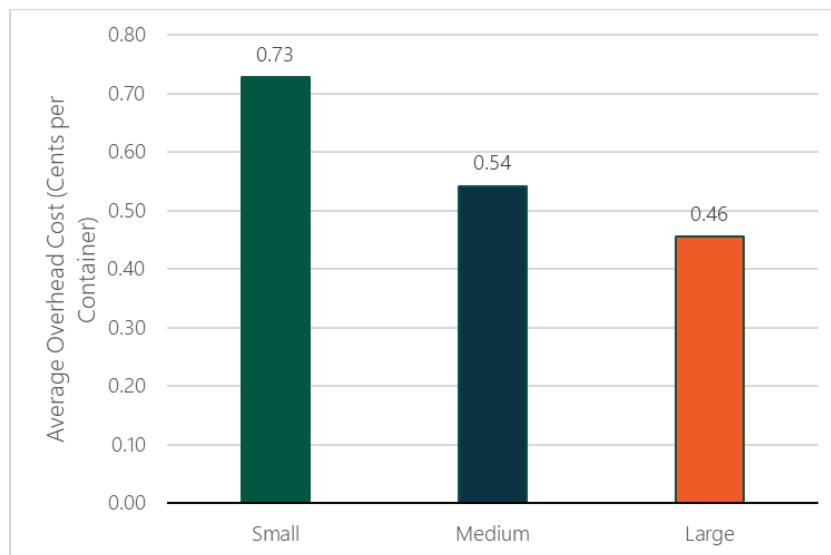


Table 50 shows the As Adjusted total, average, and unit cost for each of the overhead cost categories by depot size classification.

Table 50 – As Adjusted Overhead Cost by Depot Size Classification

	Small			Medium			Large			All Depots
	Total Cost	Average Cost	Unit Cost (¢) / Container	Total Cost	Average Cost	Unit Cost (¢) / Container	Total Cost	Average Cost	Unit Cost (¢) / Container	Total Cost
Office Expenses	\$ 176,936	\$ 1,824	0.06	\$ 279,488	\$ 4,737	0.05	\$ 578,350	\$ 10,912	0.05	\$ 1,034,773
Shop Supplies	\$ 228,398	\$ 2,355	0.08	\$ 266,316	\$ 4,514	0.04	\$ 528,657	\$ 9,975	0.04	\$ 1,023,371
Telephone	\$ 200,484	\$ 2,067	0.07	\$ 184,655	\$ 3,130	0.03	\$ 294,474	\$ 5,556	0.02	\$ 679,613
Charitable Donations	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0
Internet	\$ 46,450	\$ 479	0.02	\$ 46,321	\$ 785	0.01	\$ 55,188	\$ 1,041	0.00	\$ 147,959
Bank Charges	\$ 222,245	\$ 2,291	0.08	\$ 357,973	\$ 6,067	0.06	\$ 495,072	\$ 9,341	0.04	\$ 1,075,291
Professional Fees	\$ 279,600	\$ 2,882	0.10	\$ 492,569	\$ 8,349	0.08	\$ 843,737	\$ 15,920	0.07	\$ 1,615,907
Training Courses	\$ 3,200	\$ 33	0.00	\$ 11,448	\$ 194	0.00	\$ 38,773	\$ 732	0.00	\$ 53,421
Marketing and Promotions	\$ 49,765	\$ 513	0.02	\$ 149,865	\$ 2,540	0.02	\$ 323,328	\$ 6,101	0.03	\$ 522,958
Advertising	\$ 106,499	\$ 1,098	0.04	\$ 167,779	\$ 2,844	0.03	\$ 556,331	\$ 10,497	0.05	\$ 830,609
Other Insurance	\$ 55,355	\$ 571	0.02	\$ 139,278	\$ 2,361	0.02	\$ 395,478	\$ 7,462	0.03	\$ 590,110
Municipal Taxes & License	\$ 63,743	\$ 657	0.02	\$ 51,886	\$ 879	0.01	\$ 51,750	\$ 976	0.00	\$ 167,379
BCMB Fines / Levies	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0
ABDA Fees	\$ 175,901	\$ 1,813	0.06	\$ 383,995	\$ 6,508	0.06	\$ 613,403	\$ 11,574	0.05	\$ 1,173,300
POR Fees	\$ 63,160	\$ 651	0.02	\$ 148,749	\$ 2,521	0.02	\$ 190,715	\$ 3,598	0.02	\$ 402,624
Other Office Costs	\$ 94,082	\$ 970	0.03	\$ 85,243	\$ 1,445	0.01	\$ 160,557	\$ 3,029	0.01	\$ 339,882
Non-Labour Collection Costs	\$ 45,878	\$ 473	0.02	\$ 156,504	\$ 2,653	0.03	\$ 121,423	\$ 2,291	0.01	\$ 323,805
Deposit Incentives	\$ 350	\$ 4	0.00	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 350
Goodwill CCA	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0	\$ 0	0.00	\$ 0
Shrinkage	\$ 14,038	\$ 145	0.01	\$ 121,342	\$ 2,057	0.02	\$ 180,824	\$ 3,412	0.01	\$ 316,204
Other Costs	\$ 265,190	\$ 2,734	0.10	\$ 297,615	\$ 5,044	0.05	\$ 174,342	\$ 3,289	0.01	\$ 737,147
Table 9 Collection Costs	\$ 24,803	\$ 256	0.01	\$ 101,295	\$ 1,717	0.02	\$ 943,542	\$ 17,803	0.08	\$ 1,069,639
Table 9 Deposit Incentives	\$ 30,347	\$ 313	0.01	\$ 168,058	\$ 2,848	0.03	\$ 639,693	\$ 12,070	0.05	\$ 838,097
Table 9 Cash & Shrinkage	\$ 84,213	\$ 868	0.03	\$ 133,352	\$ 2,260	0.02	\$ 790,171	\$ 14,909	0.06	\$ 1,007,735
Total	\$ 2,230,635	\$ 22,996	0.81	\$ 3,743,731	\$ 63,453	0.62	\$ 7,975,809	\$ 150,487	0.65	\$ 13,950,175

Non-labour collection costs, and UCA Table 9 collection costs are all subject to the collection costs cap discussed in Section 6 – Offsite Collection Costs.

Figure 25 shows the total adjusted overhead cost by depot.

Figure 25 – As Adjusted Overhead Cost

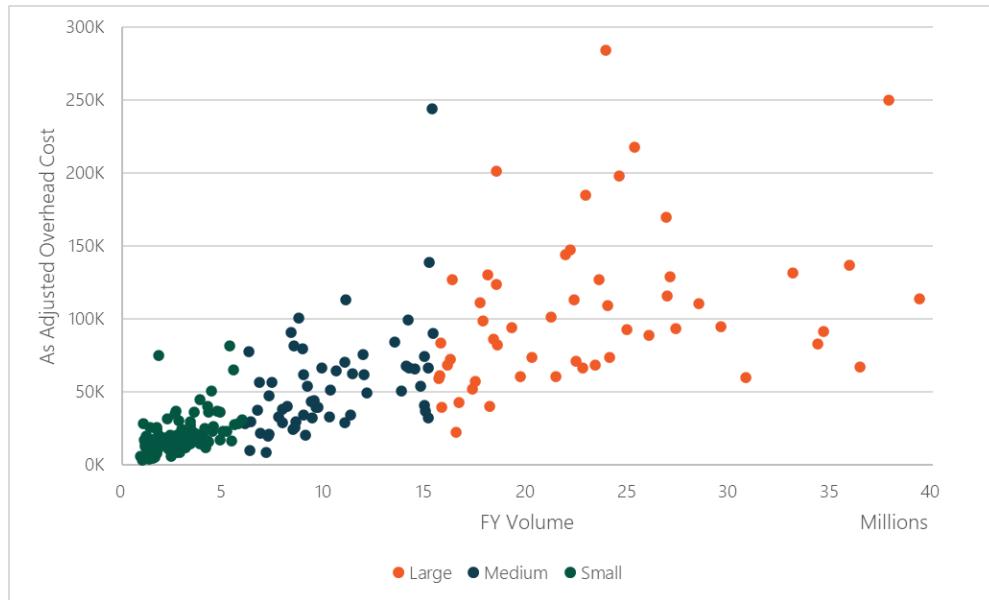
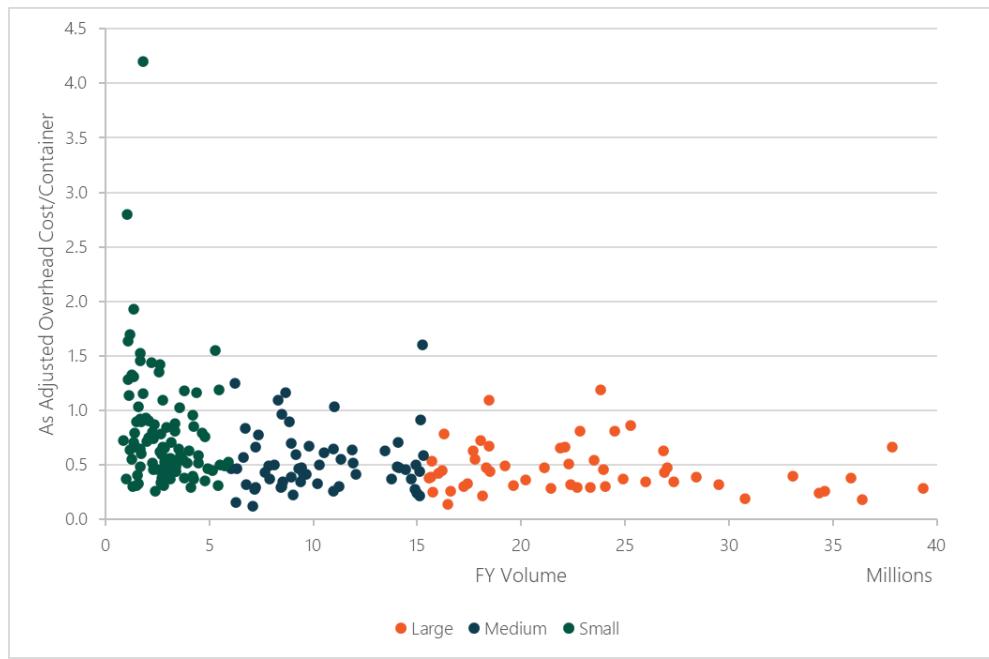


Figure 25 shows that overhead costs generally increase with depot size, but there is still substantial variation between depots of similar size.

The general variation in overhead costs by depot is more easily identifiable when looking at depot cost per container as shown in **Figure 26**.

Figure 26 – As Adjusted Overhead Cost Per Container



As previously noted, small depots have proportionately higher fixed overhead costs than medium and large depots, which can result in higher costs per container for these depots.

With the adjustments discussed and subject to the collection cost cap, the As Adjusted overhead costs accurately represent the depot system and are to be included in the determination of the revenue requirement.

6. Offsite Collection Costs

The BCMB's Offsite Collections Policy defines offsite collections as the collection of empty and used containers outside of depot premises. This policy states that these costs are the direct and documented costs and expenses which have been incurred by depots as payment to third parties who bring empty containers to those depots. Offsite collection costs include collector labour (see Section 5.2.5 – Collector Labour for details), vehicles allocated to offsite collections (see Section 5.4.1 – Vehicle Costs for details), and overhead costs including non-labour collection costs and third party collection costs.

The offsite collection costs were \$5.8 million. This is an increase of 1.5 million from the 2024 AUR. This increase is explained by a \$922,000 increase in collector labour, a \$716,000 increase in vehicle costs, and a \$342,000 increase in Table 9 collection costs, offset by a \$482,000 decrease in non-labour collection costs.

Table 51 shows the total collection costs for the As Adjusted Data.

Table 51 – As Adjusted Collection Costs

	Small	Medium	Large	Total
Table 9 Collection Costs	\$ 24,803	\$ 101,295	\$ 943,542	\$ 1,069,639
Collector Labour	\$ 588,569	\$ 832,474	\$ 1,306,188	\$ 2,727,230
Vehicle Costs	\$ 304,198	\$ 348,434	\$ 1,039,984	\$ 1,692,616
Non-Labour Collection Costs	\$ 45,878	\$ 156,504	\$ 121,423	\$ 323,805
Total	\$ 963,448	\$ 1,438,707	\$ 3,411,136	\$ 5,813,291

The BCMB's Offsite Collections Policy imposes a cap on offsite collection costs. This practice began in 2010 when the cap was implemented at \$1.2 million. Since 2010, the cap has been escalated per the methodology outlined in the policy. **Table 52** shows the calculated cap for this year.

Table 52 – 2025/26 Handling Commission Review Offsite Collections Cap

Category	Amount
Volume Escalator	
2024 AUR Target Year Volume	2,195,120,047
2025/26 HCR Target Year Volume	2,220,148,847
Volume Escalator	1.01
Labour Escalator	
2024 AUR As Adjusted Direct Labour Rate	\$ 20.88
2025/26 HCR As Adjusted Direct Labour Rate	\$ 21.18
Labour Escalator	1.01
Maximum Collection Costs	
2024 AUR Maximum Collection Costs	\$ 4,423,585
2025/26 HCR Maximum Collection Costs	\$ 4,536,440

The application of the cap is implemented to each of the cost categories identified in **Table 51** – As Adjusted Collection Costs equally based on the percent of the total offsite collections. The cap was triggered in the 2025/26 HCR, removing \$1.2 million from offsite collection costs. This is shown in **Table 53**.

Table 53 – Application of Offsite Collections Cost Cap

	Total Adjusted Cost	Percent of Total	Application of Cap	Total Adjusted Cost (Less Collection Cap)
Table 9 Collection Costs	\$ 1,069,639	18.4%	\$ (234,939)	\$ 834,700
Collector Labour	\$ 2,727,230	46.9%	\$ (599,018)	\$ 2,128,212
Vehicle Costs	\$ 1,692,616	29.1%	\$ (371,772)	\$ 1,320,844
Non-Labour Collection Costs	\$ 323,805	5.6%	\$ (71,122)	\$ 252,684
Total	\$ 5,813,291	100.0%	\$ (1,276,852)	\$ 4,536,440

The reduction shown above is detailed in each of the summary tables in Appendix I – Phase 1 Schedules. These tables show the As Adjusted cost in two ways:

- Prior to the application of the cap, which lines up with the details shown in Section 5 –UCA Survey Results – Revenues and Costs; and
- Following the application of the cap, which lines up with the totals shown in **Table 53**.

7. Volume Forecast

In determining the Target Year Revenue Requirement, one of the inputs is a container volume forecast for each container stream. As directed by the BCMB's Handling Commission Rate Setting Policy, generating this forecast involves collecting volumes processed by depots in the Total System and then projecting these volumes to the Target Year.

In the Study System, a total of 2.1 billion containers were processed by 209 depots. In the Total System, 221 depots processed 2.2 billion containers. After applying forecasting approach that was consistent with the approach used during the 2018/19 HCR, we project 220 depots to process 2.2 billion containers in the Target Year. We discuss key elements of the forecasting approach below.

We used a consistent forecasting methodology for each individual container stream. At a high level, this methodology was to test forecasting approaches, evaluate forecasting accuracy, and generate a Target Year forecast by applying the more accurate of the approaches.

Test Forecasting Approaches: For each container stream, we used all available historical container return and sales volume data from January 2014 through April 2025 to test two forecasting approaches. The first approach was to forecast based on historical return volume ("return volume forecast"). The second was to forecast based on return rates, that is, returns as a percentage of sales ("return rate forecast").

To choose between forecasting approaches, it was important to evaluate forecast accuracy using genuine return data. To accomplish this, we split the historical data into two portions: training data and test data. Training data is historical data used to estimate forecasting parameters and generate a forecast over a test period. Test data is actual data from three test periods that used to evaluate the accuracy of the forecast.

In our process, training data comprised of all available historical return and sales volume data up to and including August 2025. We used the training data as an input for the Excel forecasting function to generate test period forecasts for three nine-month periods during which forecasted volumes are applied during HCRs and Annual Updates and that aligned with previous Target Years: August 2022 through April 2023, August 2023 through April 2024, and August 2024 through April 2025.

Evaluate Forecasting Accuracy: Once test period forecasts were generated for each container stream, we compared the forecast with the actual returns from those periods and evaluated test period forecast accuracy using four error measures as follows:

- **Deviation:** Deviation measures the size of the error, i.e., the forecast amount minus the actual amount.
- **Mean Absolute Percent Error (MAPE):** The MAPE measures the size of the error in percentage terms. It is calculated as the average of the unsigned percentage error.²⁴
- **Mean Absolute Deviation (MAD):** The MAD measures the size of the error in units. It is calculated as the average of the unsigned errors.²⁵

²⁴ <https://www.forecastpro.com/Trends/forecasting101August2011.html>

²⁵ <https://www.forecastpro.com/Trends/forecasting101August2011.html>

- **Root Mean Square Error (RMSE):** RMSE is a quadratic scoring rule that also measures the average magnitude of the error. It's the square root of the average of squared differences between prediction and actual observation.²⁶

For each container stream, we selected the forecasting approach – either a return volume forecast or a return rate forecast – that performed most accurately against the four measures above over the test period.

This evaluation determined that for 19 of the 23 container stream forecasts, the historical return volumes more accurately depicted the actual returns for the one-year test period. These 19 container streams were as follows.

- Aluminum;
- Bag in Box Over 1 L;
- Bi-metal 0 -1 L;
- Bi-Metal Over 1 L;
- Gable Top 0 - 1 L;
- Gable Top Over 1 L;
- Glass 0 - 1 L;
- Glass Over 1 L;
- High-Density Polyethylene Resin (HDPE);
- Liquor and Wine Ceramics;
- Molson Coors MGD Refillable 355ml;
- Moosehead;
- Other Plastics 0 - 1 L;
- Other Plastics Over 1 L;
- PET 0 - 1 L;
- PET Over 1 L;
- Sleemans;
- Steam Whistle; and
- Tetra Over 1 L.

For the remaining four container streams, the return rate better forecasted the actual returns during the test period. These container streams were as follows.

- Drink Pouches 0 - 1 L;
- Industry Standard Bottle;
- Plastic One-Way Keg over 1L; and
- Tetra 0 - 1 L.

We did not generate forecasts for Specialty Containers such as Crystal Decanter 700 ml or the Patron el Lalique 1750 ml, or Sleeve-in-a-Box 0-1 L, as no historical return data exists for those container types.

Generate Forecast: Using the forecasting approach that most accurately forecasted return volumes during the test period for each respective container stream, we generated actual forecasts using all available historical data. In the case of return data, this typically included data from 2002 onward. For sales, this included data from 2014 forward.

The result of this forecast is a Target Year volume of 2,220,148,847 containers. This is a 1.7% increase in total container volumes over actual volumes for the 12-month period ending April 2025.

²⁶ <https://medium.com/human-in-a-machine-world/mae-and-rmse-which-metric-is-better-e60ac3bde13d>

The Target Year volume breakdown by container stream is shown in **Table 54**.

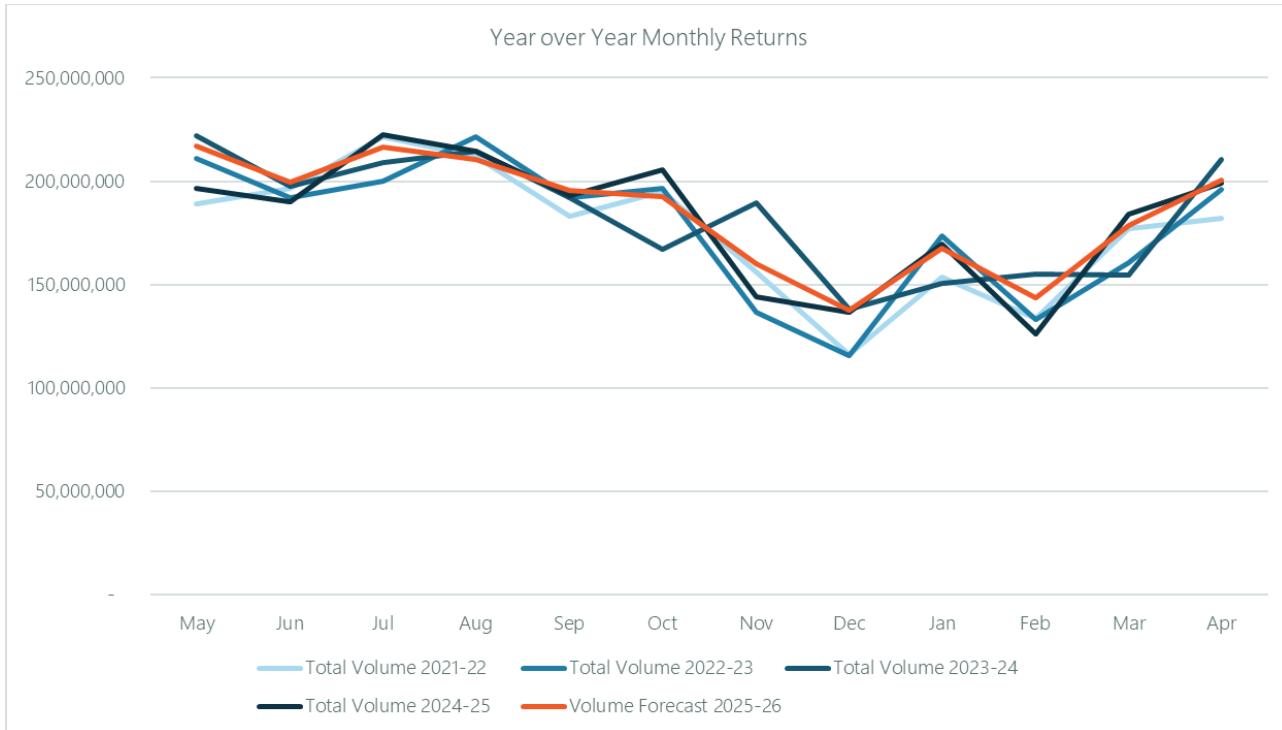
Table 54 – Target Year Volumes by Container Stream²⁷

Forecast Group	Container Stream	Target Year Volume Forecast
(a)	(b)	(c)
1	Aluminum 0 - 1 Litre	1,138,960,915
2	Bag in Box Over 1 Litre	931,677
3	Bi-Metal 0 - 1 Litre	2,711,384
4	Bi-Metal Over 1 Litre	312,002
5	Drink Pouch 0 - 1 Litre	4,156,997
6	Gable Top 0 - 1 Litre	40,519,470
7	Gable Top Over 1 Litre	24,837,102
8	Glass 0 - 1 Litre	115,720,807
9	Glass Over 1 Litre	4,578,906
10	HDPE Plastics Natural Over 1 Litre	54,953,580
11	Industry Standard Bottle	25,517,958
12	Liquor and Wine Ceramics	532
13	Molson Coors MGD Refillable 355ml	2,571,276
14	Moosehead	402,215
15	Other Plastics 0 - 1 Litre	99,007,257
16	Other Plastics Over 1 Litre	11,250,637
17	PET 0 - 1 Litre	538,832,407
18	PET Over 1 Litre	53,949,511
19	Plastic One-Way Keg Over 1 Litre	1,110
20	Sleemans Refillable	516,792
21	Sleeve-in-a-Box 0 - 1 Litre	0
22	Specialty Containers	0
23	Steam Whistle Refillable	51,103
24	Tetra Brik 0 - 1 Litre	99,748,347
25	Tetra Brik Over 1 Litre	616,862
Total		2,220,148,847

²⁷ Calculations and analysis regarding the volume forecast update are available in the Excel file 2025.10.15.Volume.Forecast.Update.DCA

Figure 27 below summarizes the monthly Total System container returns since 2021, as well as projected container returns during the forecasted period.

Figure 27 – Historical and Forecast Return Volume



8. Study System Summary

With the adjustments detailed throughout Sections 5 and 6 completed, the Study System data accurately and completely reflect depots' 2024 revenues and costs. The As Adjusted Study System contains information from 209 depots as discussed in Section 4. Appendix I – Phase I Schedules summarizes these Study System revenues and costs for both the As Accepted and As Adjusted Data.

Figure 28 summarizes the As Adjusted average revenue, average depot cost, and the revenue to cost ratio for each volume cluster in the Study System.

Figure 28 – As Adjusted Average Depot Cost, Average Depot Revenue, and Revenue to Cost Ratio by Volume Cluster



Figure 28 shows that in volume clusters 1 through 7, the average depot is experiencing a loss.

Table 55 summarizes the number of depots reporting losses and the total value of the loss in As Adjusted Data.

Table 55 – As Adjusted Study System Loss Statistics

	Number of Depots Reporting Losses			Total Value of Loss		
	As Reported	As Accepted	As Adjusted	As Reported	As Accepted	As Adjusted
Small	42	55	72	\$ (1,663,150)	\$ (1,975,771)	\$ (3,219,326)
Medium	21	16	18	\$ (3,089,219)	\$ (974,684)	\$ (981,205)
Large	19	10	8	\$ (2,199,321)	\$ (946,771)	\$ (1,108,437)
Total	82	81	98	\$ (6,951,691)	\$ (3,897,227)	\$ (5,308,968)

As shown in this table, losses are experienced by depots in all size classifications, but significantly fewer depots experience these losses in the large category.

Figure 29 shows the cost per container for each of the cost categories and the revenue per container received.

Figure 29 – As Adjusted Cost and Revenue Summary

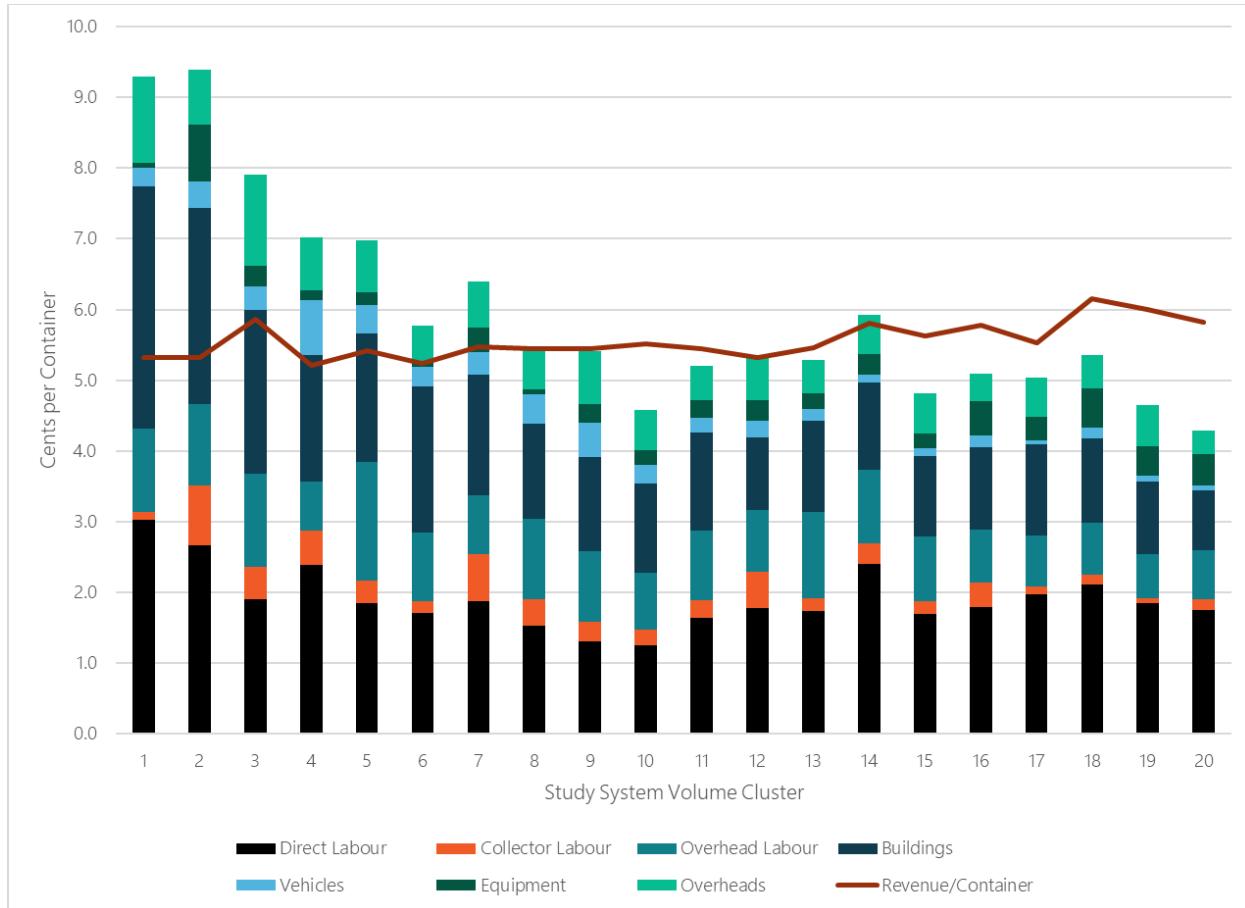


Table 56 shows the net income earned by the As Adjusted Study System. The cents per container column shows the value based on the 2,110,320,715 containers processed by the 209 depots in the As Adjusted Study System.

Table 56 – As Adjusted Study System Revenues and Expenses

	Cost	Cost per Container (¢)
Revenue		
Revenue	\$ 350,452,736	16.61
Less Purchases	\$ 234,540,682	11.11
Base Handling Commission	\$ 115,912,053	5.49
Misc Revenue	\$ 293,716	0.01
Depot Viability Handling Commissions	\$ 4,627,189	0.22
Net Revenue	\$ 120,832,959	5.73
Expenses		
Direct Labour	\$ 39,165,848	1.86
Collector Labour	\$ 2,128,212	0.10
Overhead Labour	\$ 17,328,321	0.82
Building	\$ 25,306,826	1.20
Equipment	\$ 7,476,381	0.35
Vehicle	\$ 4,036,135	0.19
Overhead	\$ 13,644,114	0.65
Total Expenses	\$ 109,085,837	5.17
Earnings Before Taxes	\$ 11,747,122	0.56

As shown in **Table 56** depots generated total net revenue of \$120.8 million and incurred \$109.1 million in expenses, leaving \$11.7 million of earnings before taxes.

9. Total System Data

To calculate the Total System Data, we used two ratios as shown in Schedule 10a below. The first is a depot ratio, calculated as the number of depots in the Total System divided by the number of depots in the Study System. The second, is the volume ratio, calculated as the number of containers processed by the Total System divided by the number of containers processed by the Study System.

Schedule 10a: Calculation of Total System Ratios

Volume Cluster	Depots in Study System	Depots In Total System	Study System Depots, FY2024 Volume	Total System Depots Calendar Year Volume	Depot Ratio	Volume Ratio	
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	1	10	18	11,051,447	13,321,074	1.80	1.21
2	2	11	11	15,894,309	15,979,886	1.00	1.01
3	3	10	10	17,407,394	17,517,358	1.00	1.01
4	4	10	10	22,289,044	22,105,149	1.00	0.99
5	5	11	12	29,462,843	31,634,467	1.09	1.07
6	6	10	10	29,988,386	29,611,916	1.00	0.99
7	7	11	11	37,772,451	37,538,418	1.00	0.99
8	8	10	10	40,334,021	40,102,350	1.00	0.99
9	9	11	11	53,865,307	53,899,467	1.00	1.00
10	10	10	10	62,164,889	62,851,551	1.00	1.01
11	11	11	11	84,321,547	83,105,183	1.00	0.99
12	12	10	10	88,393,636	88,595,852	1.00	1.00
13	13	10	10	100,749,044	99,526,986	1.00	0.99
14	14	11	12	138,855,409	152,005,297	1.09	1.09
15	15	10	10	149,862,493	148,919,549	1.00	0.99
16	16	11	11	178,945,785	178,996,940	1.00	1.00
17	17	10	11	184,207,782	203,326,997	1.10	1.10
18	18	11	11	243,885,005	242,954,972	1.00	1.00
19	19	10	10	253,330,428	252,965,039	1.00	1.00
20	20	11	12	367,539,494	399,072,588	1.09	1.09
21	Total	209	221	2,110,320,715	2,174,031,039	1.06	1.03

Increases in the number of depots from the Study System to the Total System are to account for depots that did not submit a UCA, either because they were exempt or non-compliant. Other changes to the number of depots by cluster are due to timing differences, as the Total System volume is based on calendar 2024 instead of the fiscal year 2024 volumes used for the Study System.

The depot ratio is applied to overhead labour costs to escalate the As Adjusted Study System costs to the Total System. The volume ratio is applied to each of the following revenue and cost categories to escalate the As Adjusted Study System costs to the Total System:

- Miscellaneous Revenue;
- Deposit Revenue;
- Handling Commission Revenue;
- Direct Labour Cost;
- Collector Labour Cost;
- Vehicle Costs;
- Equipment Costs; and
- Overhead Costs.

Building costs were calculated based on BCMB square footage and real estate expert deemed rates. **Table 57** summarizes the Total System costs by building group.

Table 57 – Total Building Costs

Building Category	Number of Depots	Average Square Footage	Average Lease Costs	Average Deemed Use Cost	Average Deemed Total Cost	Average Deemed \$/Square Foot
Calgary Retail	11	6,550 \$	258,714 \$	168,983 \$	427,697 \$	65.30
Calgary Commercial and Industrial	17	7,105 \$	150,198 \$	96,702 \$	246,900 \$	34.75
Edmonton Retail	4	5,386 \$	172,352 \$	86,445 \$	258,797 \$	48.05
Edmonton Commercial	14	6,508 \$	91,108 \$	60,196 \$	151,304 \$	23.25
Edmonton Industrial	5	6,177 \$	67,945 \$	56,827 \$	124,771 \$	20.20
Bedroom City	15	5,106 \$	135,304 \$	49,526 \$	184,830 \$	36.20
North City	5	8,646 \$	121,041 \$	83,432 \$	204,473 \$	23.65
South City	14	6,935 \$	91,886 \$	49,930 \$	141,816 \$	20.45
Rural North Town	36	3,222 \$	51,559 \$	22,879 \$	74,438 \$	23.10
Rural South Town	54	3,136 \$	54,879 \$	19,443 \$	74,322 \$	23.70
Rural Village	38	2,195 \$	22,495 \$	16,350 \$	38,845 \$	17.70
Rural Hamlet	8	1,968 \$	18,205 \$	15,056 \$	33,261 \$	16.90
Total System	221	4,211 \$	78,257 \$	42,322 \$	120,579 \$	28.63

Table 58 shows a summary of Total System revenues and costs.

Table 58 – Total System Summary

	Cost	Cost per Container (\$)
Revenue		
Revenue	\$ 365,779,088	16.82
Less Purchases	\$ 247,914,418	11.40
Base Handling Commission	\$ 117,864,670	5.42
Misc Revenue	\$ 300,607	0.01
Depot Viability Handling Commissions	\$ 4,751,742	0.22
Net Revenue	\$ 122,917,018	5.65
Expenses		
Direct Labour	\$ 40,436,058	1.86
Collector Labour	\$ 2,175,628	0.10
Overhead Labour	\$ 17,972,296	0.83
Building	\$ 26,647,635	1.23
Equipment	\$ 7,709,512	0.35
Vehicle	\$ 4,130,981	0.19
Overhead	\$ 14,017,643	0.64
Total Expenses	\$ 113,089,753	5.20
Earnings Before Taxes	\$ 9,827,265	0.45

Total System net income is \$9.8 million. This represents a \$1.9 million decrease in net income when compared with the As Adjusted Study System Data. This is due, in large part, because smaller depots are less profitable than larger depots and, in some cases, small depots are unprofitable.

10. Target Year System

To escalate the Total System Data to the Target Year, we account for any changes in the number of active depots, projected container volumes, and depot costs (as captured in a series of indices).

To account for changes in the number of active depots and projected container volumes, three ratios and an average fiscal year quarter for each volume cluster were calculated. The ratios are as follows:

- **Depot Ratio:** Calculated as the number of depots in the Target Year divided by the number of depots in the Total System.
- **Volume Ratio:** Calculated as the Target Year volume divided by the Total System volume.
- **Total System Ratio:** Calculated as the Target Year total operating expenses divided by the Total System total operating expenses.

The fiscal year quarter (FY Quarter) is calculated as an average of the fiscal year end for each depot in a cluster. Schedule 11a shows the ratios and quarter for each volume cluster in the system.

Schedule 11a: Calculation of Target Year Ratios

No.	Volume Cluster	Total System Depots	Target Year Depots	Total System Volume	Target Year Volume	Depot Ratio	Volume Ratio	Total System Ratio	FY Quarter
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	1	18	17	13,321,074	13,603,654	0.94	1.02	1.00	Q4
2	2	11	11	15,979,886	16,318,868	1.00	1.02	1.04	Q3
3	3	10	10	17,517,358	17,888,954	1.00	1.02	1.04	Q4
4	4	10	10	22,105,149	22,574,066	1.00	1.02	1.04	Q4
5	5	12	12	31,634,467	32,305,530	1.00	1.02	1.04	Q4
6	6	10	10	29,611,916	30,240,075	1.00	1.02	1.04	Q3
7	7	11	11	37,538,418	38,334,722	1.00	1.02	1.04	Q3
8	8	10	10	40,102,350	40,953,043	1.00	1.02	1.04	Q3
9	9	11	11	53,899,467	55,042,839	1.00	1.02	1.04	Q3
10	10	10	10	62,851,551	64,184,823	1.00	1.02	1.04	Q3
11	11	11	11	83,105,183	84,868,097	1.00	1.02	1.04	Q3
12	12	10	10	88,595,852	90,475,239	1.00	1.02	1.04	Q3
13	13	10	10	99,526,986	101,638,256	1.00	1.02	1.04	Q3
14	14	12	12	152,005,297	155,229,791	1.00	1.02	1.04	Q3
15	15	10	10	148,919,549	152,078,585	1.00	1.02	1.04	Q3
16	16	11	11	178,996,940	182,794,009	1.00	1.02	1.04	Q3
17	17	11	11	203,326,997	207,640,181	1.00	1.02	1.04	Q4
18	18	11	11	242,954,972	248,108,786	1.00	1.02	1.04	Q3
19	19	10	10	252,965,039	258,331,197	1.00	1.02	1.04	Q3
20	20	12	12	399,072,588	407,538,131	1.00	1.02	1.04	Q3
21	Total	221	220	2,174,031,039	2,220,148,847	1.00	1.02	1.04	Q3

The Total System ratio is applied to miscellaneous revenue. Deposit and handling commission revenue are calculated based on the forecast. The depot ratio is applied to both overhead labour costs and building costs. The volume ratio is applied to direct labour costs, contract labour costs, vehicle costs, fuel costs, equipment costs, and overhead costs.

Depot costs are escalated based on the Indices rates set out in their final report²⁸. These rates, applied consistently across all applicable cost categories, are shown in **Table 59**.

Table 59 – Indices Expert Rates

Forecast Summary	2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Wage Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75
Building Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75
Gasoline Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75
Vehicle Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75
Equipment Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75
General Overhead Index	1.67	1.69	1.70	1.70	1.71	1.72	1.73	1.73	1.73	1.75	1.76	1.75

²⁸ HCR 2025/2026 document 30 - 2025.10.03.Indices.Report.Provincial.CPI.Forecast.July.2025.CBOC

Table 60 compares Phase I Schedule 12 from the 2024 AUR to this year's Phase I Schedule 12.

Table 60 – Comparison of Schedule 12 from 2024 Annual Update and 2025/26 HCR

No.		AUR 2024	2025/26 HCR	Difference	Difference
		Schedule 12 Column A	Schedule 12 Column A		
				(\$)	(%)
1	Revenue	\$ 350,950,445	\$ 370,280,451	\$ 19,330,006	5.5%
2	Less Purchases	\$ 242,112,760	\$ 244,729,426	\$ 2,616,666	1.1%
3	Base Handling Commissions (HC)	\$ 108,837,685	\$ 125,551,024	\$ 16,713,340	15.4%
4	Misc Revenue	\$ 335,494	\$ 313,032	\$ (22,463)	-6.7%
5	Depot Viability Handling Commissions	\$ 4,749,599	\$ 4,746,098	\$ (3,501)	-0.1%
6	Net Revenue	\$ 113,922,778	\$ 130,610,154	\$ 16,687,376	14.6%
7	Expenses				
8	Direct Labour	\$ 40,089,536	\$ 42,616,038	\$ 2,526,502	6.3%
9	Contract Labour	\$ 1,994,856	\$ 2,292,962	\$ 298,107	14.9%
10	Overhead Labour	\$ 19,173,426	\$ 18,534,339	\$ (639,087)	-3.3%
11	Building	\$ 25,073,717	\$ 27,206,920	\$ 2,133,203	8.5%
12	Equipment	\$ 6,373,694	\$ 8,125,281	\$ 1,751,587	27.5%
13	Vehicle	\$ 4,033,355	\$ 4,353,714	\$ 320,359	7.9%
14	Overhead	\$ 13,175,615	\$ 14,773,218	\$ 1,597,603	12.1%
15	Total Operating Expenses	\$ 109,914,198	\$ 117,902,471	\$ 7,988,273	7.3%
16					
17	Total Return	\$ 20,055,230	\$ 22,859,649	\$ 2,804,419	14.0%
18	Pre-Tax Return	5.39 %	5.93 %	0.54 %	10.0%
19	Revenue Requirement	\$ 129,633,934	\$ 140,449,088	\$ 10,815,154	8.3%
20	Removal of Interest and Dividend Revenues per HC Agreement	\$ 0	\$ 0	\$ 0	0.0%
21	Addition of Direct Labour costs per HC Agreement	\$ 0	\$ 0	\$ 0	0.0%
22	Revised Revenue Requirement	\$ 129,633,934	\$ 140,449,088	\$ 10,815,154	8.3%
23	DVHC Revenues	\$ 4,749,599	\$ 4,746,098	\$ (3,501)	-0.1%
24	Handling Commission Revenues	\$ 124,884,335	\$ 135,702,990	\$ 10,818,654	8.7%
25	Total Revenue at Current Rates	\$ 113,922,778	\$ 130,610,154	\$ 16,687,376	14.6%
26	Proposed Rate Increase	14.7%	8.1%	-6.7%	
System Data					
27	Target Year Volume	2,195,120,047	2,220,148,847		
28	Number of Depots	219	220		

The significant differences between the two years are explained below.

- **No. 6: Target Year Total Revenues** – increased by \$16.7 million from the 2024 AUR
 - No. 2: Deposit Revenue (Purchases) – Target Year deposit revenue increased by 1.1% (\$2.6 million) from the 2024 AUR. Deposit rates per container did not change in this period, so the total amount of change relates to the increase in forecasted volume.
 - No. 3: Base Handling Commission Revenue – Target Year handling commission revenue increased by 15% (\$16.7 million) from the 2024 AUR. This increase can largely be explained by significantly higher handling commission rates being in place effective May 1, 2025 than were in place at the time of the 2024 AUR. Recall that handling commission rates were increased by an average of over 14% effective May 1, 2025.
 - No. 4: Miscellaneous Revenue – Target Year miscellaneous revenue decreased by 6.7% (\$22,463) from the 2024 AUR. This increase is due to higher year-over-year Total System

miscellaneous revenue.

- **No. 15: Total Operating Expenses** – increased by \$8.0 million from the 2024 AUR
 - No. 8-10: Direct Labour, Contract Labour, and Overhead Labour – Target Year labour costs increased by \$2.2 million from the 2024 AUR. This increase is due to a \$1.3 million increase in Total System labour costs from the 2024 AUR to the 2025/26 HCR; coupled with a larger volume ratio in the 2025/26 HCR than in the 2024 AUR.
 - No. 11: Building: Target Year building costs increased by 8.5% (\$2.1 million) from the 2024 AUR. This increase is primarily driven by higher deemed building costs per square foot from the Real Estate expert, along with one additional depot expected to be operating in the 2025/26 Target Year than was estimated during the 2024 AUR.
 - No. 12: Equipment – Target Year equipment costs increased by 27.5% (\$1.8 million) over the 2024 AUR. This was due to a \$1.8 million year-over-year increase in Total System equipment cost.
 - No. 13: Vehicle – This line is a combination of vehicle and fuel costs. Target Year vehicle costs increased by 7.9% (\$320,000) from the 2024 AUR. This is mainly due to a \$330,000 year-over-year increase in Total System vehicle cost.
 - No. 14: Overhead – Target Year overhead costs increased by 12.1% (\$1.6 million) from the 2024 AUR. This increase is due to a \$1.3 million increase in year-over-year Total System overhead costs, coupled with a higher volume ratio in HCR 2025/26.
 - No. 17: Total Return: The Total Return increased by 14.0% (\$2.8 million) from the 2024 AUR. This is due to an increase in the Return Margin Expert's Pre-Tax Return Margin from 5.39% to 5.93% coupled with a larger Total System expense and revenue base.

To calculate the Target Year Revenue Requirement, the operating expenses and purchases shown in **Table 60** are used to calculate a total return based on the Return Margin Expert's recommended rate. The overall return recommended in the final return margin report²⁹ (5.93%) has both been kept consistent with the expert's analysis. **Table 61** shows this calculation.

Table 61 – Pre-Tax Return Margin Calculation

No.	Item	Amount
1 Cost of Goods Sold		
2	Operating Expenses	\$ 117,902,471
3	Deposits	\$ 244,729,426
4	Cost of Goods Sold (#2+#3)	\$ 362,631,897
5 Pre-Tax Margin Calculation		
6	Return Margin (Combined)	5.93 %
7	Revenues Required (#4/(1-#6))	\$ 385,491,546
8	Pre-Tax Margin (#7-#4)	\$ 22,859,649

²⁹ HCR 2025/26 Document 14 - 2025.06.02.Return.Margin.Expert.Final.Report.Concentric

Using these rates, the Target Year Revenue Requirement is calculated as the Total System operating expense plus the total return minus miscellaneous revenue.

The combined effect of these changes led to an increase in Revenue Requirement of 8.3%. When compared with the 2024 AUR, the Revenue Requirement increased from \$129.6 million to \$140.4 million.

11. Appendix I – Phase I Schedules

Schedule 1: Adjustment Summary

No.	2024 Fiscal Year As Accepted		2024 Fiscal Year As Adjusted			Total System			Target System (Current HC)			Total Change		
	Cost	Cost per Container (c)	Cost	Cost per Container (d)	Difference (Accepted to Adjusted) (e)	Cost	Cost per Container (d)	Difference (Adjusted to Total System) (h)	Cost	Cost per Container (d)	Difference (Total System to Target System) (k)	Difference (Accepted to Target System) (l)	% Change (Accepted to Target System) (m)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1 Revenue														
2 Revenue	\$ 348,641,398	16.59 \$	350,452,736	16.61 \$	1,811,337	\$ 365,779,088	16.82 \$	15,326,352	\$ 370,280,451	16.68 \$	4,501,363	\$ 21,639,052	0.5%	
3 Less Purchases	\$ 233,124,020	11.10 \$	234,540,682	11.11 \$	1,416,662	\$ 247,914,418	11.40 \$	13,373,736	\$ 244,729,426	11.02 \$	(3,184,992)	\$ 11,605,406	-0.6%	
4 Base Handling Commission	\$ 115,517,378	5.50 \$	115,912,053	5.49 \$	394,675	\$ 117,864,670	5.42 \$	1,952,617	\$ 125,551,024	5.66 \$	7,686,354	\$ 10,033,646	2.9%	
5 Misc Revenue	\$ 2,794,234	0.13 \$	293,716	0.01 \$	(2,500,517)	\$ 300,607	0.01 \$	6,890	\$ 313,032	0.01 \$	12,425	\$ (2,481,202)	-89.4%	
6 Depot Viability Handling Commissions	\$ 4,258,831	0.20 \$	4,627,189	0.22 \$	368,358	\$ 4,751,742	0.22 \$	124,553	\$ 4,746,098	0.21 \$	(5,643)	\$ 487,267	5.5%	
7 Net Revenue	\$ 122,570,443	5.83 \$	120,832,959	5.73 \$	(1,737,484)	\$ 122,917,018	5.65 \$	2,084,059	\$ 130,610,154	5.88 \$	7,693,136	\$ 8,039,711	0.8%	
8 Expenses														
9 Direct Labour	\$ 40,086,927	1.91 \$	39,165,848	1.86 \$	(921,080)	\$ 40,436,058	1.86 \$	1,270,210	\$ 42,616,038	1.92 \$	2,179,980	\$ 2,529,110	0.6%	
10 Collector Labour	\$ 2,702,299	0.13 \$	2,128,212	0.10 \$	(574,087)	\$ 2,175,628	0.10 \$	47,416	\$ 2,292,962	0.10 \$	117,334	\$ (409,336)	-19.7%	
11 Overhead Labour	\$ 15,892,562	0.76 \$	17,328,321	0.82 \$	1,435,759	\$ 17,972,296	0.83 \$	643,975	\$ 18,534,339	0.83 \$	562,043	\$ 2,641,777	10.4%	
12 Building	\$ 24,728,670	1.18 \$	25,306,826	1.20 \$	578,156	\$ 26,647,635	1.23 \$	1,340,809	\$ 27,206,920	1.23 \$	559,285	\$ 2,478,249	4.1%	
13 Equipment	\$ 7,459,130	0.36 \$	7,476,381	0.35 \$	17,251	\$ 7,709,512	0.35 \$	233,131	\$ 8,125,281	0.37 \$	415,769	\$ 666,151	3.1%	
14 Vehicle	\$ 4,588,339	0.22 \$	4,036,135	0.19 \$	(552,203)	\$ 4,130,981	0.19 \$	94,846	\$ 4,353,714	0.20 \$	222,732	\$ (234,625)	-10.2%	
15 Overhead	\$ 14,105,681	0.67 \$	13,644,114	0.65 \$	(461,567)	\$ 14,017,643	0.64 \$	373,529	\$ 14,773,218	0.67 \$	755,575	\$ 667,537	-0.9%	
16 Total Expenses	\$ 109,563,608	5.21 \$	109,085,837	5.17 \$	(477,771)	\$ 113,089,753	5.20 \$	4,003,916	\$ 117,902,471	5.31 \$	4,812,718	\$ 8,338,863	1.8%	
17 Earnings Before Taxes	\$ 13,006,835	0.62 \$	11,747,122	0.56 \$	(1,259,713)	\$ 9,827,265	0.45 \$	(1,919,857)	\$ 12,707,683	0.57 \$	2,880,418	\$ (299,152)	-7.5%	
System Data														
18 Total Container Volume		2,101,127,818			2,110,320,715			2,174,031,039			2,220,148,847		119,021,029	5.7%
19 Number of Depots		209			209			221			220		11	5.3%

Schedule 1a: Net Income Summary

No.	(a)	Small	Medium	Large	Total
	(b)	(c)	(d)	(e)	
2024 Fiscal Year As Accepted					
1	Net Income before Tax	\$ (542,136)	\$ 3,440,425	\$ 10,108,545	\$ 13,006,835
2	¢ per container	-0.0	0.16	0.48	0.62
2024 Fiscal Year As Adjusted					
3	Net Income before Tax	\$ (2,193,860)	\$ 2,469,243	\$ 11,471,739	\$ 11,747,122
4	¢ per container	-0.10	0.12	0.54	0.56
5	Difference	\$ (1,651,724)	\$ (971,182)	\$ 1,363,194	\$ (1,259,713)
Total System					
6	Net Income before Tax	\$ (617,542)	\$ 2,192,596	\$ 8,252,211	\$ 9,827,265
7	¢ per container	-0.03	0.10	0.38	0.45
8	Difference	\$ 1,576,318	\$ (276,647)	\$ (3,219,528)	\$ (1,919,857)
Target System (Current HC)					
9	Net Income before Tax	\$ (1,592,856)	\$ 3,287,093	\$ 11,013,446	\$ 12,707,683
10	¢ per container	-0.07	0.15	0.50	0.57
11	Difference	\$ (975,314)	\$ 1,094,496	\$ 2,761,235	\$ 2,880,418
Total Change					
11	Difference (As Accepted Data to Target System Data)	\$ (1,050,720)	\$ (153,333)	\$ 904,901	\$ (299,152)
12	Percent Change (As Accepted Data to Target System Data)	178.1%	-9.6%	3.1%	-7.5%

Schedule 1b: Labour Efficiency and Cost Summary

No.	(a)	Direct Labour	Collector Labour	Overhead Labour
	(b)	(c)	(d)	
2024 Fiscal Year As Accepted				
1	Hours	1,831,917	128,460	559,486
2	S/Container	3.14	0.22	0.96
3	\$/Hour	\$21.88	\$21.04	\$28.41
2024 Fiscal Year As Adjusted				
5	Hours	1,849,548	129,556	563,910
6	S/Container	3.16	0.22	0.96
7	\$/Hour	\$21.18	\$16.43	\$30.73
8 Total System				
9	Hours	1,909,532	132,442	584,867
10	S/Container	3.16	0.22	0.97
11	\$/Hour	\$21.18	\$16.43	\$30.73
12 Target System (Current HC)				
13	Hours	1,950,039	135,252	582,221
14	S/Container	3.16	0.22	0.94
15	\$/Hour	\$21.85	\$16.95	\$31.83

Schedule 1c: Previous Year Summary

	2023 Fiscal Year As Accepted		2024 Fiscal Year As Accepted			Per Container or Hour	
	Cost	Cost per Container (¢)	Cost	Cost per Container (¢)	% Change	% Change From 2004	Ave. Annual
No.	(d)	(e)	(d)	(e)	(f)	(g)	(h)
1 Revenue							
2 Revenue	\$ 336,825,699	16.19	\$ 348,641,398	16.59	2.5%	189.8%	5.8%
3 Less Purchases	\$ 231,071,802	11.11	\$ 233,124,020	11.10	-0.1%	193.2%	5.8%
4 Gross Margin (HC)	\$ 105,753,897	5.08	\$ 115,517,378	5.50	8.2%	183.1%	5.6%
5 Misc Revenue	\$ 1,116,505	0.05	\$ 2,794,234	0.13	147.8%	696.1%	11.5%
6 Total Margin	\$ 111,375,541	5.35	\$ 122,570,443	5.83	9.0%	197.9%	5.9%
7 Expenses							
8 Direct Labour	\$ 38,001,298	1.83	\$ 40,086,927	1.91	4.5%	213.6%	6.2%
9 Contract / Collector Labour	\$ 1,804,967	0.09	\$ 2,702,299	0.13	48.3%	188.7%	5.7%
10 Overhead Labour	\$ 16,523,554	0.79	\$ 15,892,562	0.76	-4.8%	116.1%	4.1%
11 Building	\$ 25,788,943	1.24	\$ 24,728,670	1.18	-5.0%	618.0%	10.9%
12 Equipment and Vehicles	\$ 9,697,049	0.47	\$ 12,047,469	0.57	23.0%	890.3%	12.8%
13 Overhead	\$ 12,400,752	0.60	\$ 14,105,681	0.67	12.6%	137.9%	4.7%
14 Total Operating Expenses	\$ 104,216,564	5.01	\$ 109,563,608	5.21	4.1%	234.0%	6.6%
15 Earnings Before Taxes	\$ 7,158,977	0.34	\$ 13,006,835	0.62	79.9%	55.8%	2.4%
System Data							
18 Total Container Volume	2,080,574,152		2,101,127,818			104.9%	3.8%
19 Number of Depots	202		209			32.3%	1.5%

Schedule 2: Direct Labour Costs

	2024 Fiscal Year As Accepted				2024 Fiscal Year As Adjusted			
	Hours	Salary & Wages	Benefits	Total	Hours	Salary & Wages	Benefits	Total
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1 Small	220,440	\$ 4,372,239	\$ 505,732	\$ 4,877,971	228,074	\$ 4,511,968	\$ 398,484	\$ 4,910,452
2 Medium	529,589	\$ 9,901,211	\$ 1,672,167	\$ 11,573,378	529,589	\$ 9,778,156	\$ 1,394,339	\$ 11,172,494
3 Large	1,081,888	\$ 20,542,902	\$ 3,092,676	\$ 23,635,579	1,091,885	\$ 20,581,157	\$ 2,501,744	\$ 23,082,901
4 Total	1,831,917	\$ 34,816,353	\$ 5,270,575	\$ 40,086,927	1,849,548	\$ 34,871,281	\$ 4,294,567	\$ 39,165,848

Schedule 3: Collector Labour Costs

Size Class	2024 Fiscal Year As Accepted			2024 Fiscal Year As Adjusted		
	Hours	\$		Hours	\$	\$ (Less Collection Costs Cap)
No.	(a)	(b)		(c)	(d)	(e)
1 Small	28,455	\$ 576,670		28,893	\$ 588,569	\$ 459,293
2 Medium	39,738	\$ 832,474		39,738	\$ 832,474	\$ 649,627
3 Large	60,267	\$ 1,293,155		60,925	\$ 1,306,188	\$ 1,019,292
4 Total	128,460	\$ 2,702,299		129,556	\$ 2,727,230	\$ 2,128,212

Schedule 4: Overhead Labour Costs

Size Class	2024 Fiscal Year As Accepted				2024 Fiscal Year As Adjusted			
	Hours	Salary & Wages	Benefits	Total	Hours	Salary & Wages	Benefits	Total
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1 Small	111,084	\$ 2,730,012	\$ 5,487	\$ 2,735,499	112,869	\$ 2,780,140	\$ 132,993	\$ 2,913,133
2 Medium	192,550	\$ 5,551,642	\$ 63,492	\$ 5,615,134	192,550	\$ 5,551,642	\$ 464,375	\$ 6,016,018
3 Large	255,852	\$ 7,492,085	\$ 49,843	\$ 7,541,929	258,491	\$ 7,568,578	\$ 830,592	\$ 8,399,171
4 Total	559,486	\$ 15,773,740	\$ 118,822	\$ 15,892,562	563,910	\$ 15,900,360	\$ 1,427,961	\$ 17,328,321

Schedule 5: Building Costs

2024 Fiscal Year As Accepted					2024 Fiscal Year As Adjusted				
		Small	Medium	Large	Total	Small	Medium	Large	Total
No.	Sq. Ft.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	243,519	292,950	411,160	947,629		230,587	283,054	377,577	891,218
2 Building CCA	\$ 266,920	\$ 267,351	\$ 326,391	\$ 860,663					
3 Use Costs incl. Mortgage Interest	\$ 2,606,746	\$ 5,392,257	\$ 12,852,383	\$ 20,851,385					
4 Utilities	\$ 691,104	\$ 843,340	\$ 1,482,179	\$ 3,016,622					
5 Deemed Lease Cost					\$ 3,377,832	\$ 4,835,507	\$ 8,203,395	\$ 16,416,734	
6 Deemed Usage Cost					\$ 1,576,327	\$ 2,448,727	\$ 4,865,038	\$ 8,890,093	
7 Total	\$ 3,564,770	\$ 6,502,948	\$ 14,660,953	\$ 24,728,670	\$ 4,954,160	\$ 7,284,234	\$ 13,068,432	\$ 25,306,826	

Schedule 6: Equipment Costs

2024 Fiscal Year As Accepted					2024 Fiscal Year As Adjusted				
		Small	Medium	Large	Total	Small	Medium	Large	Total
No.		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1 CCA	\$ 210,927	\$ 231,847	\$ 342,558	\$ 785,332		211,838	\$ 231,847	\$ 342,558	\$ 786,244
2 Lease Payments	\$ 179,351	\$ 1,016,780	\$ 3,927,709	\$ 5,123,841		179,351	\$ 1,016,780	\$ 3,937,203	\$ 5,133,334
3 Operating Costs	\$ 153,931	\$ 181,107	\$ 1,214,919	\$ 1,549,958		157,740	\$ 181,107	\$ 1,217,956	\$ 1,556,803
4 Total	\$ 544,209	\$ 1,429,734	\$ 5,485,187	\$ 7,459,130		548,929	\$ 1,429,734	\$ 5,497,717	\$ 7,476,381

Schedule 7: Vehicle Costs

2024 Fiscal Year As Accepted					2024 Fiscal Year As Adjusted				2024 Fiscal Year As Adjusted (After Collections Cost Cap)			
		Small	Medium	Large	Total	Small	Medium	Large	Total	Business Vehicle Cost	Offsite Collections Vehicle Cost*	Total Vehicle Cost*
No.		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 CCA	\$ 219,735	\$ 250,895	\$ 159,814	\$ 630,444		219,902	\$ 138,620	\$ 229,901	\$ 588,424	\$ 362,472	\$ 176,323	\$ 538,795
2 Lease Payments	\$ 39,997	\$ 153,955	\$ 687,940	\$ 881,893		24,772	\$ 146,710	\$ 679,549	\$ 851,031	\$ 524,239	\$ 255,014	\$ 779,253
3 Operating Costs	\$ 989,837	\$ 800,446	\$ 1,285,719	\$ 3,076,002		950,531	\$ 767,335	\$ 1,250,586	\$ 2,968,452	\$ 1,828,580	\$ 889,507	\$ 2,718,087
4 Total	\$ 1,249,569	\$ 1,205,296	\$ 2,133,473	\$ 4,588,339		1,195,205	\$ 1,052,665	\$ 2,160,036	\$ 4,407,907	\$ 2,715,291	\$ 1,320,844	\$ 4,036,135

* Less Offsite Collections Cost Cap

Schedule 8: Overhead Costs

	2024 Fiscal Year As Accepted				2024 Fiscal Year As Adjusted				Total (Less Offsite Collections Cap)
	Small	Medium	Large	Total	Small	Medium	Large	Total	
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Overhead - Office									
2 Office Expenses	\$ 175,427	\$ 279,488	\$ 576,846	\$ 1,031,760	\$ 176,936	\$ 279,488	\$ 578,350	\$ 1,034,773	\$ 1,034,773
3 Shop Supplies	\$ 227,688	\$ 266,316	\$ 519,734	\$ 1,013,738	\$ 228,398	\$ 266,316	\$ 528,657	\$ 1,023,371	\$ 1,023,371
4 Telephone	\$ 195,355	\$ 184,655	\$ 291,526	\$ 671,536	\$ 200,484	\$ 184,655	\$ 294,474	\$ 679,613	\$ 679,613
5 Charitable Donations	\$ 26,608	\$ 135,494	\$ 53,373	\$ 215,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6 Internet	\$ 45,268	\$ 46,321	\$ 55,188	\$ 146,778	\$ 46,450	\$ 46,321	\$ 55,188	\$ 147,959	\$ 147,959
7 Bank Charges	\$ 206,247	\$ 357,973	\$ 494,534	\$ 1,058,754	\$ 222,245	\$ 357,973	\$ 495,072	\$ 1,075,291	\$ 1,075,291
8 Professional Fees (Accounting/Legal)	\$ 276,022	\$ 492,569	\$ 834,882	\$ 1,603,474	\$ 279,600	\$ 492,569	\$ 843,737	\$ 1,615,907	\$ 1,615,907
9 Training Courses (3rd Party)	\$ 3,127	\$ 11,448	\$ 38,773	\$ 53,348	\$ 3,200	\$ 11,448	\$ 38,773	\$ 53,421	\$ 53,421
10 Marketing and Promotions	\$ 49,718	\$ 149,865	\$ 323,328	\$ 522,910	\$ 49,765	\$ 149,865	\$ 323,328	\$ 522,958	\$ 522,958
11 Advertising	\$ 105,942	\$ 167,779	\$ 551,104	\$ 824,825	\$ 106,499	\$ 167,779	\$ 556,331	\$ 830,609	\$ 830,609
12 Other Insurance (non-property)	\$ 54,751	\$ 139,278	\$ 391,704	\$ 585,733	\$ 55,355	\$ 139,278	\$ 395,478	\$ 590,110	\$ 590,110
13 Municipal Taxes & License Fees	\$ 62,838	\$ 51,886	\$ 51,750	\$ 166,474	\$ 63,743	\$ 51,886	\$ 51,750	\$ 167,379	\$ 167,379
14 Other Office costs	\$ 93,783	\$ 85,243	\$ 159,254	\$ 338,280	\$ 94,082	\$ 85,243	\$ 160,557	\$ 339,882	\$ 339,882
15 Sub Total	\$ 1,522,774	\$ 2,368,316	\$ 4,341,996	\$ 8,233,085	\$ 1,526,756	\$ 2,232,821	\$ 4,321,696	\$ 8,081,273	\$ 8,081,273
16 Overhead - Fees									
17 BCMB Fines / Levies	\$ 3,064	\$ 15,847	\$ 17,866	\$ 36,777	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
18 ABDA Fees	\$ 166,766	\$ 383,995	\$ 611,172	\$ 1,161,933	\$ 175,901	\$ 383,995	\$ 613,403	\$ 1,173,300	\$ 1,173,300
19 POR Fees	\$ 13,639	\$ 52,122	\$ 52,697	\$ 118,458	\$ 63,160	\$ 148,749	\$ 190,715	\$ 402,624	\$ 402,624
20 Sub Total	\$ 183,469	\$ 451,965	\$ 681,734	\$ 1,317,168	\$ 239,062	\$ 532,744	\$ 804,119	\$ 1,575,924	\$ 1,575,924
21 Overhead - Other									
22 Non-labour collection costs	\$ 45,878	\$ 156,504	\$ 121,423	\$ 323,805	\$ 45,878	\$ 156,504	\$ 121,423	\$ 323,805	\$ 252,684
23 Deposit incentives	\$ 350	\$ 0	\$ 0	\$ 350	\$ 350	\$ 0	\$ 0	\$ 350	\$ 350
24 Goodwill - Current Year CCA	\$ 69,567	\$ 173,854	\$ 19,790	\$ 263,211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
25 Shrinkage	\$ 14,038	\$ 121,342	\$ 180,824	\$ 316,204	\$ 14,038	\$ 121,342	\$ 180,824	\$ 316,204	\$ 316,204
26 Other costs	\$ 264,428	\$ 297,615	\$ 174,342	\$ 736,385	\$ 265,190	\$ 297,615	\$ 174,342	\$ 737,147	\$ 737,147
27 Sub Total	\$ 394,261	\$ 749,315	\$ 496,380	\$ 1,639,956	\$ 325,456	\$ 575,462	\$ 476,590	\$ 1,377,507	\$ 1,306,385
28 Overhead - Table 9									
29 Table 9 Collections costs	\$ 24,803	\$ 101,295	\$ 943,542	\$ 1,069,639	\$ 24,803	\$ 101,295	\$ 943,542	\$ 1,069,639	\$ 834,700
30 Table 9 Deposit Incentives	\$ 30,347	\$ 168,058	\$ 639,693	\$ 838,097	\$ 30,347	\$ 168,058	\$ 639,693	\$ 838,097	\$ 838,097
31 Table 9 Cash & Shrinkage	\$ 84,213	\$ 133,352	\$ 790,171	\$ 1,007,735	\$ 84,213	\$ 133,352	\$ 790,171	\$ 1,007,735	\$ 1,007,735
32 Sub Total	\$ 139,362	\$ 402,704	\$ 2,373,405	\$ 2,915,471	\$ 139,362	\$ 402,704	\$ 2,373,405	\$ 2,915,471	\$ 2,680,532
33 Total	\$ 2,239,866	\$ 3,972,300	\$ 7,893,515	\$ 14,105,681	\$ 2,230,635	\$ 3,743,731	\$ 7,975,809	\$ 13,950,175	\$ 13,644,114

Schedule 9: Miscellaneous Revenue

		2024 Fiscal Year As Accepted				2024 Fiscal Year As Adjusted			
		Small	Medium	Large	Total	Small	Medium	Large	Total
No.		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Cardboard Sales	\$ 975	\$ 4,839	\$ 3,065	\$ 8,879	\$ 1,170	\$ 4,839	\$ 3,065	\$ 9,074
2	Pick-up Fees	\$ 73,809	\$ 139,596	\$ 148,254	\$ 361,658	\$ 0	\$ 0	\$ 0	\$ 0
3	Other Recycling	\$ 0	\$ 1,253	\$ 2,597	\$ 3,850	\$ 0	\$ 1,253	\$ 2,364	\$ 3,617
4	Wine Bottle Sales	\$ 0	\$ 74	\$ 0	\$ 74	\$ 0	\$ 74	\$ 0	\$ 74
5	Value Add Fee (VAF)	\$ 14,263	\$ 31,680	\$ 162,253	\$ 208,196	\$ 0	\$ 31,680	\$ 0	\$ 31,680
6	COVID Subsidy	\$ 105,071	\$ 175,192	\$ 172,312	\$ 452,575	\$ 0	\$ 0	\$ 0	\$ 0
7	Other Revenue	\$ 431,287	\$ 511,749	\$ 815,966	\$ 1,759,002	\$ 179,686	\$ 37,363	\$ 32,222	\$ 249,272
8	Total	\$ 625,404	\$ 864,382	\$ 1,304,447	\$ 2,794,234	\$ 180,856	\$ 75,209	\$ 37,651	\$ 293,716

Schedule 10: Revenue

		2024 Fiscal Year As Accepted				2024 Fiscal Year As Adjusted			
		Small	Medium	Large	Total	Small	Medium	Large	Total
No.		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Volume	271,488,265	607,201,162	1,222,438,391	2,101,127,818	275,211,059	607,201,162	1,227,908,494	2,110,320,715
2	Revenue	\$ 44,711,111	\$ 101,095,135	\$ 209,888,217	\$ 355,694,463	\$ 44,923,489	\$ 100,305,962	\$ 210,144,191	\$ 355,373,641
3	Less: Purchases	\$ 29,563,056	\$ 66,536,029	\$ 137,024,935	\$ 233,124,020	\$ 29,996,227	\$ 66,536,029	\$ 138,008,426	\$ 234,540,682
4	Gross Margin	\$ 15,148,055	\$ 34,559,106	\$ 72,863,282	\$ 122,570,443	\$ 14,927,262	\$ 33,769,933	\$ 72,135,765	\$ 120,832,959

Schedule 10a: Calculation of Total System Ratios

Volume Cluster	Depots in Study System	Depots In Total System	Study System Depots, FY2024 Volume	Total System Depots Calendar Year Volume	Depot Ratio	Volume Ratio	Percent Small	Percent Medium	Percent Large	
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	1	10	18	11,051,447	13,321,074	1.80	1.21	100.0%	0.0%	0.0%
2	2	11	11	15,894,309	15,979,886	1.00	1.01	100.0%	0.0%	0.0%
3	3	10	10	17,407,394	17,517,358	1.00	1.01	100.0%	0.0%	0.0%
4	4	10	10	22,289,044	22,105,149	1.00	0.99	100.0%	0.0%	0.0%
5	5	11	12	29,462,843	31,634,467	1.09	1.07	100.0%	0.0%	0.0%
6	6	10	10	29,988,386	29,611,916	1.00	0.99	100.0%	0.0%	0.0%
7	7	11	11	37,772,451	37,538,418	1.00	0.99	90.9%	9.1%	0.0%
8	8	10	10	40,334,021	40,102,350	1.00	0.99	100.0%	0.0%	0.0%
9	9	11	11	53,865,307	53,899,467	1.00	1.00	100.0%	0.0%	0.0%
10	10	10	10	62,164,889	62,851,551	1.00	1.01	30.0%	70.0%	0.0%
11	11	11	11	84,321,547	83,105,183	1.00	0.99	0.0%	90.9%	9.1%
12	12	10	10	88,393,636	88,595,852	1.00	1.00	0.0%	90.0%	10.0%
13	13	10	10	100,749,044	99,526,986	1.00	0.99	0.0%	100.0%	0.0%
14	14	11	12	138,855,409	152,005,297	1.09	1.09	0.0%	100.0%	0.0%
15	15	10	10	149,862,493	148,919,549	1.00	0.99	0.0%	80.0%	20.0%
16	16	11	11	178,945,785	178,996,940	1.00	1.00	0.0%	0.0%	100.0%
17	17	10	11	184,207,782	203,326,997	1.10	1.10	0.0%	0.0%	100.0%
18	18	11	11	243,885,005	242,954,972	1.00	1.00	0.0%	0.0%	100.0%
19	19	10	10	253,330,428	252,965,039	1.00	1.00	0.0%	0.0%	100.0%
20	20	11	12	367,539,494	399,072,588	1.09	1.09	0.0%	0.0%	100.0%
21	Total	209	221	2,110,320,715	2,174,031,039	1.06	1.03			

Schedule 10b: Revenues

			Miscellaneous Revenue			Deposits		Handling Commissions		Depot Viability Handling Commissions		Total Revenue	
	Volume Cluster	Volume Ratio	Study System	Total System (b * c)		Study System	Total System	Study System	Total System	Study System	Total System	Study System (c + g + i)	Total System (d + h + j)
No.	(a)	(b)	(c)	(d)		(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	1	1.21	\$ 450	\$ 542		\$ 1,248,843	\$ 1,445,527	\$ 423,704	\$ 656,401	\$ 163,602	\$ 197,201	\$ 587,756	\$ 854,144
2	2	1.01	\$ 772	\$ 776		\$ 1,742,052	\$ 1,750,768	\$ 610,549	\$ 806,495	\$ 233,587	\$ 234,541	\$ 844,908	\$ 1,041,812
3	3	1.01	\$ 143,192	\$ 144,097		\$ 1,886,898	\$ 2,063,358	\$ 652,957	\$ 943,563	\$ 225,000	\$ 225,000	\$ 1,021,149	\$ 1,312,660
4	4	0.99	\$ 5,121	\$ 5,079		\$ 2,427,757	\$ 2,406,699	\$ 931,217	\$ 1,106,987	\$ 225,000	\$ 225,000	\$ 1,161,339	\$ 1,337,066
5	5	1.07	\$ 19,202	\$ 20,618		\$ 3,275,292	\$ 4,280,399	\$ 1,328,111	\$ 2,004,903	\$ 247,500	\$ 270,000	\$ 1,594,814	\$ 2,295,521
6	6	0.99	\$ 11,845	\$ 11,696		\$ 3,236,328	\$ 3,503,438	\$ 1,333,543	\$ 1,573,040	\$ 225,000	\$ 225,000	\$ 1,570,388	\$ 1,809,736
7	7	0.99	\$ 225	\$ 224		\$ 4,099,747	\$ 4,068,017	\$ 1,821,017	\$ 1,878,623	\$ 247,500	\$ 247,500	\$ 2,068,742	\$ 2,126,347
8	8	0.99	\$ 0	\$ 0		\$ 4,367,268	\$ 4,764,234	\$ 1,972,697	\$ 2,239,505	\$ 225,000	\$ 225,000	\$ 2,197,697	\$ 2,464,505
9	9	1.00	\$ 49	\$ 49		\$ 5,855,399	\$ 5,861,289	\$ 2,682,749	\$ 2,700,949	\$ 247,500	\$ 247,500	\$ 2,930,298	\$ 2,948,498
10	10	1.01	\$ 4,300	\$ 4,347		\$ 6,776,260	\$ 7,535,880	\$ 3,200,801	\$ 3,496,052	\$ 225,000	\$ 225,000	\$ 3,430,101	\$ 3,725,399
11	11	0.99	\$ 3,486	\$ 3,436		\$ 9,167,709	\$ 9,032,798	\$ 4,343,908	\$ 4,198,928	\$ 247,500	\$ 247,500	\$ 4,594,895	\$ 4,449,864
12	12	1.00	\$ 3,880	\$ 3,888		\$ 9,581,411	\$ 9,604,296	\$ 4,476,712	\$ 4,415,597	\$ 225,000	\$ 225,000	\$ 4,705,592	\$ 4,644,485
13	13	0.99	\$ 3,574	\$ 3,530		\$ 11,006,674	\$ 11,969,388	\$ 5,267,733	\$ 5,612,527	\$ 225,000	\$ 225,000	\$ 5,496,306	\$ 5,841,057
14	14	1.09	\$ 28,094	\$ 30,755		\$ 15,322,762	\$ 16,775,620	\$ 7,793,190	\$ 8,017,090	\$ 247,500	\$ 270,000	\$ 8,068,784	\$ 8,317,845
15	15	0.99	\$ 31,875	\$ 31,674		\$ 16,537,856	\$ 17,642,711	\$ 8,167,552	\$ 8,353,758	\$ 225,000	\$ 225,000	\$ 8,424,427	\$ 8,610,432
16	16	1.00	\$ 8,176	\$ 8,178		\$ 19,799,913	\$ 21,515,917	\$ 10,090,672	\$ 10,250,106	\$ 247,500	\$ 247,500	\$ 10,346,348	\$ 10,505,784
17	17	1.10	\$ 1,330	\$ 1,468		\$ 20,370,675	\$ 22,508,140	\$ 9,964,846	\$ 10,719,729	\$ 225,000	\$ 247,500	\$ 10,191,176	\$ 10,968,697
18	18	1.00	\$ 1,230	\$ 1,225		\$ 28,517,295	\$ 27,262,857	\$ 14,765,898	\$ 12,990,500	\$ 247,500	\$ 247,500	\$ 15,014,628	\$ 13,239,225
19	19	1.00	\$ 2,310	\$ 2,307		\$ 28,652,340	\$ 28,605,951	\$ 14,964,700	\$ 14,006,414	\$ 225,000	\$ 225,000	\$ 15,192,010	\$ 14,233,721
20	20	1.09	\$ 24,605	\$ 26,716		\$ 40,668,203	\$ 45,317,131	\$ 21,119,498	\$ 21,893,503	\$ 247,500	\$ 270,000	\$ 21,391,603	\$ 22,190,219
21	Total	1.03	\$ 293,716	\$ 300,607		\$ 234,540,682	\$ 247,914,418	\$ 115,912,053	\$ 117,864,670	\$ 4,627,189	\$ 4,751,742	\$ 120,832,959	\$ 122,917,018
22	Total System as a % of Study System			102.3%			105.7%		101.7%		102.7%		101.7%

Schedule 10c: Costs

				Direct Labour		Collector Labour		Overhead Labour		Building		Vehicle		Fuel		Equipment		Overhead		Summary		
No.	Volume Cluster	Depot Ratio	Volume Ratio	Study System	Total System (c x d)	Study System	Total System (c x f)	Study System	Total System (b x h)	Study System	Total System (Calculated)	Study System	Total System (c x l)	Study System	Total System (c x o)	Study System	Total System (c x q)	Study System	Total System (c x w)	Study System Total Operating Cost*	Total System Total Operating	Total System Cost (€ / container)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)
1	1	1.80	1.21	\$ 334,654	\$ 403,382	\$ 2,719	\$ 3,277	\$ 130,066	\$ 234,119	\$ 378,465	\$ 768,816	\$ 12,267	\$ 14,786	\$ 27,675	\$ 33,358	\$ 4,658	\$ 5,615	\$ 128,978	\$ 155,466	\$ 1,019,481	\$ 1,618,819	12.15
2	2	1.00	1.01	\$ 424,545	\$ 426,830	\$ 56,696	\$ 57,001	\$ 183,512	\$ 183,512	\$ 440,976	\$ 446,976	\$ 44,215	\$ 44,454	\$ 27,622	\$ 27,770	\$ 70,255	\$ 70,633	\$ 123,747	\$ 124,413	\$ 1,371,568	\$ 1,381,590	8.65
3	3	1.00	1.01	\$ 332,529	\$ 334,629	\$ 30,847	\$ 31,042	\$ 228,919	\$ 228,919	\$ 403,747	\$ 422,783	\$ 24,522	\$ 24,677	\$ 17,666	\$ 17,777	\$ 35,009	\$ 35,230	\$ 270,557	\$ 272,266	\$ 1,343,796	\$ 1,367,324	7.81
4	4	1.00	0.99	\$ 532,571	\$ 528,178	\$ 42,685	\$ 42,332	\$ 153,181	\$ 153,181	\$ 399,401	\$ 77,977	\$ 77,334	\$ 55,229	\$ 54,773	\$ 21,169	\$ 20,995	\$ 164,939	\$ 163,578	\$ 1,447,152	\$ 1,439,771	6.51	
5	5	1.09	1.07	\$ 545,332	\$ 585,527	\$ 26,436	\$ 28,384	\$ 492,731	\$ 537,525	\$ 535,658	\$ 615,446	\$ 71,923	\$ 77,224	\$ 73,329	\$ 78,734	\$ 46,867	\$ 50,321	\$ 243,045	\$ 260,960	\$ 2,035,320	\$ 2,234,120	7.06
6	6	1.00	0.99	\$ 514,623	\$ 508,163	\$ 23,148	\$ 22,857	\$ 291,370	\$ 291,370	\$ 619,355	\$ 619,355	\$ 40,458	\$ 39,950	\$ 36,430	\$ 35,973	\$ 14,745	\$ 14,560	\$ 171,096	\$ 168,948	\$ 1,711,225	\$ 1,701,176	5.74
7	7	1.00	0.99	\$ 707,769	\$ 703,383	\$ 125,032	\$ 124,257	\$ 312,807	\$ 312,807	\$ 647,947	\$ 647,947	\$ 64,960	\$ 64,557	\$ 55,049	\$ 54,708	\$ 108,546	\$ 107,873	\$ 272,787	\$ 271,097	\$ 2,294,896	\$ 2,286,629	6.09
8	8	1.00	0.99	\$ 619,288	\$ 615,732	\$ 69,251	\$ 68,853	\$ 461,864	\$ 461,864	\$ 542,521	\$ 106,131	\$ 105,521	\$ 112,669	\$ 112,022	\$ 20,432	\$ 20,315	\$ 252,478	\$ 251,028	\$ 2,184,634	\$ 2,177,855	5.43	
9	9	1.00	1.00	\$ 703,309	\$ 703,755	\$ 54,039	\$ 54,073	\$ 536,692	\$ 536,692	\$ 716,493	\$ 716,493	\$ 128,201	\$ 89,947	\$ 90,004	\$ 131,188	\$ 131,271	\$ 500,701	\$ 501,018	\$ 2,860,487	\$ 2,861,507	5.31	
10	10	1.00	1.01	\$ 776,385	\$ 784,961	\$ 86,566	\$ 87,516	\$ 503,294	\$ 503,294	\$ 781,429	\$ 781,429	\$ 64,013	\$ 64,720	\$ 104,268	\$ 105,420	\$ 120,773	\$ 122,107	\$ 449,688	\$ 454,655	\$ 2,886,411	\$ 2,904,103	4.62
11	11	1.00	0.99	\$ 1,385,916	\$ 1,365,924	\$ 59,814	\$ 58,951	\$ 823,818	\$ 823,818	\$ 1,171,480	\$ 1,171,480	\$ 116,886	\$ 115,200	\$ 61,612	\$ 60,724	\$ 209,232	\$ 206,214	\$ 431,642	\$ 425,415	\$ 4,260,401	\$ 4,227,726	5.09
12	12	1.00	1.00	\$ 1,578,837	\$ 1,582,449	\$ 174,057	\$ 174,455	\$ 778,686	\$ 778,686	\$ 897,954	\$ 897,954	\$ 109,708	\$ 109,959	\$ 95,987	\$ 96,207	\$ 261,443	\$ 262,041	\$ 541,962	\$ 543,202	\$ 4,438,635	\$ 4,444,953	5.02
13	13	1.00	0.99	\$ 1,757,450	\$ 1,736,133	\$ 81,500	\$ 80,512	\$ 1,225,523	\$ 1,225,523	\$ 1,299,346	\$ 1,299,417	\$ 66,970	\$ 66,158	\$ 101,065	\$ 99,839	\$ 220,601	\$ 217,925	\$ 495,479	\$ 489,469	\$ 5,247,935	\$ 5,214,976	5.24
14	14	1.09	1.09	\$ 3,335,309	\$ 3,651,169	\$ 144,693	\$ 158,395	\$ 1,443,677	\$ 1,574,920	\$ 1,702,135	\$ 1,872,275	\$ 88,473	\$ 96,852	\$ 60,440	\$ 66,164	\$ 403,647	\$ 441,873	\$ 774,829	\$ 848,207	\$ 7,953,202	\$ 8,709,855	5.73
15	15	1.00	0.99	\$ 2,534,429	\$ 2,518,482	\$ 131,444	\$ 130,617	\$ 1,363,013	\$ 1,363,013	\$ 1,701,488	\$ 1,701,488	\$ 195,340	\$ 194,111	\$ 50,566	\$ 50,244	\$ 310,100	\$ 308,149	\$ 1,080,290	\$ 1,073,492	\$ 7,366,670	\$ 7,339,600	4.93
16	16	1.00	1.00	\$ 3,198,283	\$ 3,199,198	\$ 357,485	\$ 357,587	\$ 1,345,592	\$ 1,345,592	\$ 2,067,134	\$ 2,067,134	\$ 233,684	\$ 233,750	\$ 105,150	\$ 105,180	\$ 862,842	\$ 863,089	\$ 1,187,456	\$ 1,187,796	\$ 9,357,626	\$ 9,359,326	5.23
17	17	1.10	1.10	\$ 3,636,743	\$ 4,014,206	\$ 98,487	\$ 108,709	\$ 1,326,502	\$ 1,459,153	\$ 2,379,137	\$ 2,836,237	\$ 69,226	\$ 76,411	\$ 78,740	\$ 86,912	\$ 615,373	\$ 679,243	\$ 1,379,480	\$ 1,522,659	\$ 9,583,688	\$ 10,783,531	5.30
18	18	1.00	1.00	\$ 5,138,374	\$ 5,118,780	\$ 175,909	\$ 175,236	\$ 1,615,298	\$ 1,615,298	\$ 2,929,343	\$ 2,612,205	\$ 317,820	\$ 316,608	\$ 125,854	\$ 125,374	\$ 1,327,887	\$ 1,322,823	\$ 1,402,262	\$ 1,396,915	\$ 13,032,745	\$ 12,683,238	5.22
19	19	1.00	1.00	\$ 4,670,743	\$ 4,664,006	\$ 104,085	\$ 103,935	\$ 1,568,197	\$ 1,568,197	\$ 2,591,103	\$ 2,591,103	\$ 151,326	\$ 151,108	\$ 125,054	\$ 124,874	\$ 1,069,564	\$ 1,068,021	\$ 2,167,011	\$ 12,450,214	\$ 12,438,255	4.92	
20	20	1.09	1.09	\$ 6,438,758	\$ 6,991,172	\$ 283,328	\$ 307,637	\$ 2,543,581	\$ 2,774,816	\$ 3,101,716	\$ 3,637,176	\$ 524,352	\$ 569,339	\$ 123,409	\$ 133,997	\$ 1,622,051	\$ 1,761,215	\$ 1,602,556	\$ 1,740,048	\$ 16,239,753	\$ 17,915,400	4.49
21	Total	1.06	1.03	\$ 39,165,848	\$ 40,436,058	\$ 2,128,212	\$ 2,175,628	\$ 17,328,321	\$ 17,972,296	\$ 25,306,826	\$ 26,647,635	\$ 2,508,373	\$ 2,570,922	\$ 1,527,762	\$ 1,560,059	\$ 7,476,380	\$ 7,709,512	\$ 13,644,114	\$ 14,017,643	\$ 109,085,837	\$ 113,089,753	5.20
22	Total System as a % of Study System			103.2%		102.2%		103.7%		105.3%		102.5%		102.1%		103.1%		102.7%		103.7%		

* (d + f + h + j + l + n + p + r)

** (e + g + i + k + m + o + q + s)

Schedule 11a: Calculation of Target Year Ratios

Volume Cluster		Total System Depots	Target Year Depots	Total System Volume	Target Year Volume	Depot Ratio	Volume Ratio	Total System Ratio	FY Quarter
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	1	18	17	13,321,074	13,603,654	0.94	1.02	1.00	Q4
2	2	11	11	15,979,886	16,318,868	1.00	1.02	1.04	Q3
3	3	10	10	17,517,358	17,888,954	1.00	1.02	1.04	Q4
4	4	10	10	22,105,149	22,574,066	1.00	1.02	1.04	Q4
5	5	12	12	31,634,467	32,305,530	1.00	1.02	1.04	Q4
6	6	10	10	29,611,916	30,240,075	1.00	1.02	1.04	Q3
7	7	11	11	37,538,418	38,334,722	1.00	1.02	1.04	Q3
8	8	10	10	40,102,350	40,953,043	1.00	1.02	1.04	Q3
9	9	11	11	53,899,467	55,042,839	1.00	1.02	1.04	Q3
10	10	10	10	62,851,551	64,184,823	1.00	1.02	1.04	Q3
11	11	11	11	83,105,183	84,868,097	1.00	1.02	1.04	Q3
12	12	10	10	88,595,852	90,475,239	1.00	1.02	1.04	Q3
13	13	10	10	99,526,986	101,638,256	1.00	1.02	1.04	Q3
14	14	12	12	152,005,297	155,229,791	1.00	1.02	1.04	Q3
15	15	10	10	148,919,549	152,078,585	1.00	1.02	1.04	Q3
16	16	11	11	178,996,940	182,794,009	1.00	1.02	1.04	Q3
17	17	11	11	203,326,997	207,640,181	1.00	1.02	1.04	Q4
18	18	11	11	242,954,972	248,108,786	1.00	1.02	1.04	Q3
19	19	10	10	252,965,039	258,331,197	1.00	1.02	1.04	Q3
20	20	12	12	399,072,588	407,538,131	1.00	1.02	1.04	Q3
21	Total	221	220	2,174,031,039	2,220,148,847	1.00	1.02	1.04	Q3

Schedule 11b: Revenues

	Volume Cluster	FY Quarter	Total System Ratio	Miscellaneous Revenue		Deposits		Base Handling Commissions		Depot Viability HC		Total Revenue	
				Total System	Target Year	Total System	Target Year	Total System	Target Year	Total System	Target Year	Total System (d + h + j)	Target System (e + i + k)
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	1	Q4	1.00	\$ 542	\$ 543	\$ 1,445,527	\$ 1,499,546	\$ 656,401	\$ 769,297	\$ 197,201	\$ 29,081	\$ 854,144	\$ 798,920
2	2	Q3	1.04	\$ 776	\$ 808	\$ 1,750,768	\$ 1,798,847	\$ 806,495	\$ 922,844	\$ 234,541	\$ 34,885	\$ 1,041,812	\$ 958,537
3	3	Q4	1.04	\$ 144,097	\$ 149,908	\$ 2,063,358	\$ 1,971,919	\$ 943,563	\$ 1,011,633	\$ 225,000	\$ 38,242	\$ 1,312,660	\$ 1,199,783
4	4	Q4	1.04	\$ 5,079	\$ 5,296	\$ 2,406,699	\$ 2,488,364	\$ 1,106,987	\$ 1,276,580	\$ 225,000	\$ 48,257	\$ 1,337,066	\$ 1,330,133
5	5	Q4	1.04	\$ 20,618	\$ 21,438	\$ 4,280,399	\$ 3,561,074	\$ 2,004,903	\$ 1,826,901	\$ 270,000	\$ 69,061	\$ 2,295,521	\$ 1,917,400
6	6	Q3	1.04	\$ 11,696	\$ 12,150	\$ 3,503,438	\$ 3,333,396	\$ 1,573,040	\$ 1,710,098	\$ 225,000	\$ 64,645	\$ 1,809,736	\$ 1,786,894
7	7	Q3	1.04	\$ 224	\$ 233	\$ 4,068,017	\$ 4,225,678	\$ 1,878,623	\$ 2,167,856	\$ 247,500	\$ 81,950	\$ 2,126,347	\$ 2,250,039
8	8	Q3	1.04	\$ 0	\$ 0	\$ 4,764,234	\$ 4,514,299	\$ 2,239,505	\$ 2,315,924	\$ 225,000	\$ 87,547	\$ 2,464,505	\$ 2,403,471
9	9	Q3	1.04	\$ 49	\$ 51	\$ 5,861,289	\$ 6,067,432	\$ 2,700,949	\$ 3,112,712	\$ 247,500	\$ 117,667	\$ 2,948,498	\$ 3,230,431
10	10	Q3	1.04	\$ 4,347	\$ 4,529	\$ 7,535,880	\$ 7,075,163	\$ 3,496,052	\$ 3,629,698	\$ 225,000	\$ 137,210	\$ 3,725,399	\$ 3,771,438
11	11	Q3	1.04	\$ 3,436	\$ 3,577	\$ 9,032,798	\$ 9,355,103	\$ 4,198,928	\$ 4,799,352	\$ 247,500	\$ 181,426	\$ 4,449,864	\$ 4,984,355
12	12	Q3	1.04	\$ 3,888	\$ 4,059	\$ 9,604,296	\$ 9,973,184	\$ 4,415,597	\$ 5,116,440	\$ 225,000	\$ 193,412	\$ 4,644,485	\$ 5,313,911
13	13	Q3	1.04	\$ 3,530	\$ 3,675	\$ 11,969,388	\$ 11,203,696	\$ 5,612,527	\$ 5,747,717	\$ 225,000	\$ 217,276	\$ 5,841,057	\$ 5,968,668
14	14	Q3	1.04	\$ 30,755	\$ 32,085	\$ 16,775,620	\$ 17,111,149	\$ 8,017,090	\$ 8,778,357	\$ 270,000	\$ 331,841	\$ 8,317,845	\$ 9,142,283
15	15	Q3	1.04	\$ 31,674	\$ 33,025	\$ 17,642,711	\$ 16,763,788	\$ 8,353,758	\$ 8,600,154	\$ 225,000	\$ 325,104	\$ 8,610,432	\$ 8,958,283
16	16	Q3	1.04	\$ 8,178	\$ 8,537	\$ 21,515,917	\$ 20,149,583	\$ 10,250,106	\$ 10,337,134	\$ 247,500	\$ 390,766	\$ 10,505,784	\$ 10,736,437
17	17	Q4	1.04	\$ 1,468	\$ 1,530	\$ 22,508,140	\$ 22,888,403	\$ 10,719,729	\$ 11,742,203	\$ 247,500	\$ 443,880	\$ 10,968,697	\$ 12,187,613
18	18	Q3	1.04	\$ 1,225	\$ 1,280	\$ 27,262,857	\$ 27,349,302	\$ 12,990,500	\$ 14,030,731	\$ 247,500	\$ 530,392	\$ 13,239,225	\$ 14,562,403
19	19	Q3	1.04	\$ 2,307	\$ 2,410	\$ 28,605,951	\$ 28,476,129	\$ 14,006,414	\$ 14,608,816	\$ 225,000	\$ 552,245	\$ 14,233,721	\$ 15,163,471
20	20	Q3	1.04	\$ 26,716	\$ 27,897	\$ 45,317,131	\$ 44,923,372	\$ 21,893,503	\$ 23,046,576	\$ 270,000	\$ 871,210	\$ 22,190,219	\$ 23,945,684
21	Total	Q3	1.0426	\$ 300,607	\$ 313,032	\$ 247,914,418	\$ 244,729,426	\$ 117,864,670	\$ 125,551,024	\$ 4,751,742	\$ 4,746,098	\$ 122,917,018	\$ 130,610,154
22	Target Year as a % of Total System			104.13%		98.72%		106.52%		99.88%		106.26%	

Schedule 11c: Costs

No.	Study System Volume	Depot Ratio	Volume Ratio	Direct Labour		Contract Labour		Overhead Labour		Building		Vehicle		Fuel		Equipment		Overhead		Total Operating Expense				
				FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		FY 2024 Index (2002 = 100.0)		Total System		Target Year (j + i + n + p + r + t)		
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
1	Target Year			1.75		1.75		1.75		1.75		1.75		1.75		1.75		1.75		1.75		1.75		1.75
2	1	0.94	1.02	1.70 \$ 424,986		1.70 \$ 3,453		1.70 \$ 228,116		1.72 \$ 742,534		1.70 \$ 15,578		1.70 \$ 35,145		1.70 \$ 5,915		1.70 \$ 163,793	\$ 1,618,819	\$ 1,619,519				
3	2	1.00	1.02	1.70 \$ 449,867		1.70 \$ 60,078		1.70 \$ 189,398		1.72 \$ 457,090		1.70 \$ 46,853		1.70 \$ 29,269		1.70 \$ 74,445		1.70 \$ 131,128	\$ 1,381,590	\$ 1,438,129				
4	3	1.00	1.02	1.70 \$ 352,552		1.70 \$ 32,704		1.70 \$ 236,170		1.72 \$ 432,350		1.70 \$ 25,999		1.70 \$ 18,729		1.70 \$ 37,117		1.70 \$ 286,849	\$ 1,367,324	\$ 1,422,469				
5	4	1.00	1.02	1.70 \$ 556,466		1.70 \$ 44,600		1.70 \$ 158,032		1.72 \$ 408,438		1.70 \$ 81,476		1.70 \$ 57,707		1.70 \$ 22,119		1.70 \$ 172,339	\$ 1,439,771	\$ 1,501,177				
6	5	1.00	1.02	1.70 \$ 616,886		1.70 \$ 29,905		1.70 \$ 554,550		1.72 \$ 629,372		1.70 \$ 81,360		1.70 \$ 82,951		1.70 \$ 53,016		1.70 \$ 274,936	\$ 2,234,120	\$ 2,322,976				
7	6	1.00	1.02	1.70 \$ 535,589		1.70 \$ 24,091		1.70 \$ 300,711		1.72 \$ 633,369		1.70 \$ 42,106		1.70 \$ 37,914		1.70 \$ 15,345		1.70 \$ 178,066	\$ 1,701,176	\$ 1,767,198				
8	7	1.00	1.02	1.70 \$ 741,346		1.70 \$ 130,963		1.70 \$ 322,842		1.72 \$ 662,608		1.70 \$ 68,042		1.70 \$ 57,660		1.70 \$ 113,695		1.70 \$ 285,728	\$ 2,286,629	\$ 2,382,885				
9	8	1.00	1.02	1.70 \$ 648,964		1.70 \$ 72,569		1.70 \$ 476,679		1.72 \$ 554,796		1.70 \$ 111,217		1.70 \$ 118,068		1.70 \$ 21,411		1.70 \$ 264,576	\$ 2,177,855	\$ 2,268,281				
10	9	1.00	1.02	1.70 \$ 741,737		1.70 \$ 56,992		1.70 \$ 553,908		1.72 \$ 732,705		1.70 \$ 135,121		1.70 \$ 94,862		1.70 \$ 138,356		1.70 \$ 528,059	\$ 2,861,507	\$ 2,981,739				
11	10	1.00	1.02	1.70 \$ 827,327		1.70 \$ 92,239		1.70 \$ 519,439		1.72 \$ 799,111		1.70 \$ 68,213		1.70 \$ 111,110		1.70 \$ 128,698		1.70 \$ 479,194	\$ 2,904,103	\$ 3,025,330				
12	11	1.00	1.02	1.70 \$ 1,439,645		1.70 \$ 62,133		1.70 \$ 850,244		1.72 \$ 1,197,987		1.70 \$ 121,418		1.70 \$ 64,001		1.70 \$ 217,344		1.70 \$ 448,376	\$ 4,227,726	\$ 4,401,148				
13	12	1.00	1.02	1.70 \$ 1,667,856		1.70 \$ 183,871		1.70 \$ 803,665		1.72 \$ 918,272		1.70 \$ 115,894		1.70 \$ 101,399		1.70 \$ 276,184		1.70 \$ 572,519	\$ 4,444,953	\$ 4,639,661				
14	13	1.00	1.02	1.70 \$ 1,829,835		1.70 \$ 84,857		1.70 \$ 1,264,836		1.72 \$ 1,328,819		1.70 \$ 69,728		1.70 \$ 105,228		1.70 \$ 229,687		1.70 \$ 515,887	\$ 5,214,976	\$ 5,428,877				
15	14	1.00	1.02	1.70 \$ 3,848,229		1.70 \$ 166,944		1.70 \$ 1,625,441		1.72 \$ 1,914,639		1.70 \$ 102,079		1.70 \$ 69,735		1.70 \$ 465,721		1.70 \$ 893,986	\$ 8,709,855	\$ 9,086,775				
16	15	1.00	1.02	1.70 \$ 2,654,409		1.70 \$ 137,666		1.70 \$ 1,406,736		1.72 \$ 1,739,988		1.70 \$ 204,588		1.70 \$ 52,960		1.70 \$ 324,780		1.70 \$ 1,131,431	\$ 7,339,600	\$ 7,652,558				
17	16	1.00	1.02	1.70 \$ 3,371,864		1.70 \$ 376,887		1.70 \$ 1,388,756		1.72 \$ 2,113,907		1.70 \$ 246,366		1.70 \$ 110,857		1.70 \$ 909,671		1.70 \$ 1,251,903	\$ 9,359,326	\$ 9,770,212				
18	17	1.00	1.02	1.70 \$ 4,229,201		1.70 \$ 114,532		1.70 \$ 1,505,369		1.72 \$ 2,900,413		1.70 \$ 80,504		1.70 \$ 91,567		1.70 \$ 715,623		1.70 \$ 1,604,210	\$ 10,783,531	\$ 11,241,418				
19	18	1.00	1.02	1.70 \$ 5,395,049		1.70 \$ 184,693		1.70 \$ 1,667,113		1.72 \$ 2,671,312		1.70 \$ 333,696		1.70 \$ 132,141		1.70 \$ 1,394,218		1.70 \$ 1,472,309	\$ 12,683,238	\$ 13,250,532				
20	19	1.00	1.02	1.70 \$ 4,915,730		1.70 \$ 109,545		1.70 \$ 1,618,502		1.72 \$ 2,649,732		1.70 \$ 159,263		1.70 \$ 131,614		1.70 \$ 1,125,664		1.70 \$ 2,283,968	\$ 12,438,255	\$ 12,994,019				
21	20	1.00	1.02	1.70 \$ 7,368,498		1.70 \$ 324,240		1.70 \$ 2,863,827		1.72 \$ 3,719,476		1.70 \$ 600,067		1.70 \$ 141,229		1.70 \$ 1,856,271		1.70 \$ 1,833,961	\$ 17,915,400	\$ 18,707,569				
22	Total	1.00	1.02	\$ 42,616,038		\$ 2,292,962		\$ 18,534,339		\$ 27,206,920		\$ 2,709,568		\$ 1,644,146		\$ 8,125,281		\$ 14,773,218		\$ 117,902,471				
23	Target Year as a % of Total System			\$ 40,436,058	105.39%	\$ 2,175,628	105.39%	\$ 17,972,296	103.13%	\$ 26,647,635	102.10%	\$ 2,570,922	105.39%	\$ 1,560,059	105.39%	\$ 7,709,512	105.39%	\$ 14,017,643	105.39%	\$ 113,089,753	104.26%			

Schedule 11d: Net Income

		Total Revenue			Total Operating Expenses			Net Income Before Tax		
Volume Cluster		Study System	Total System	Target Year	Study System	Total System	Target Year	Study System	Total System	Target Year
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	1	\$ 587,756	\$ 854,144	\$ 798,920	\$ 1,019,481	\$ 1,618,819	\$ 1,619,519	\$ (431,726)	\$ (764,675)	\$ (820,599)
2	2	\$ 844,908	\$ 1,041,812	\$ 958,537	\$ 1,371,568	\$ 1,381,590	\$ 1,438,129	\$ (526,660)	\$ (339,778)	\$ (479,592)
3	3	\$ 1,021,149	\$ 1,312,660	\$ 1,199,783	\$ 1,343,796	\$ 1,367,324	\$ 1,422,469	\$ (322,647)	\$ (54,665)	\$ (222,685)
4	4	\$ 1,161,339	\$ 1,337,066	\$ 1,330,133	\$ 1,447,152	\$ 1,439,771	\$ 1,501,177	\$ (285,813)	\$ (102,705)	\$ (171,044)
5	5	\$ 1,594,814	\$ 2,295,521	\$ 1,917,400	\$ 2,035,320	\$ 2,234,120	\$ 2,322,976	\$ (440,507)	\$ 61,400	\$ (405,576)
6	6	\$ 1,570,388	\$ 1,809,736	\$ 1,786,894	\$ 1,711,225	\$ 1,701,176	\$ 1,767,198	\$ (140,837)	\$ 108,561	\$ 19,695
7	7	\$ 2,068,742	\$ 2,126,347	\$ 2,250,039	\$ 2,294,896	\$ 2,286,629	\$ 2,382,885	\$ (226,153)	\$ (160,283)	\$ (132,846)
8	8	\$ 2,197,697	\$ 2,464,505	\$ 2,403,471	\$ 2,184,634	\$ 2,177,855	\$ 2,268,281	\$ 13,063	\$ 286,650	\$ 135,191
9	9	\$ 2,930,298	\$ 2,948,498	\$ 3,230,431	\$ 2,860,487	\$ 2,861,507	\$ 2,981,739	\$ 69,810	\$ 86,991	\$ 248,692
10	10	\$ 3,430,101	\$ 3,725,399	\$ 3,771,438	\$ 2,886,411	\$ 2,904,103	\$ 3,025,330	\$ 543,690	\$ 821,297	\$ 746,108
11	11	\$ 4,594,895	\$ 4,449,864	\$ 4,984,355	\$ 4,260,401	\$ 4,227,726	\$ 4,401,148	\$ 334,494	\$ 222,138	\$ 583,207
12	12	\$ 4,705,592	\$ 4,644,485	\$ 5,313,911	\$ 4,438,635	\$ 4,444,953	\$ 4,639,661	\$ 266,957	\$ 199,532	\$ 674,251
13	13	\$ 5,496,306	\$ 5,841,057	\$ 5,968,668	\$ 5,247,935	\$ 5,214,976	\$ 5,428,877	\$ 248,371	\$ 626,081	\$ 539,791
14	14	\$ 8,068,784	\$ 8,317,845	\$ 9,142,283	\$ 7,953,202	\$ 8,709,855	\$ 9,086,775	\$ 115,582	\$ (392,010)	\$ 55,509
15	15	\$ 8,424,427	\$ 8,610,432	\$ 8,958,283	\$ 7,366,670	\$ 7,339,600	\$ 7,652,558	\$ 1,057,758	\$ 1,270,832	\$ 1,305,726
16	16	\$ 10,346,348	\$ 10,505,784	\$ 10,736,437	\$ 9,357,626	\$ 9,359,326	\$ 9,770,212	\$ 988,722	\$ 1,146,459	\$ 966,225
17	17	\$ 10,191,176	\$ 10,968,697	\$ 12,187,613	\$ 9,583,688	\$ 10,783,531	\$ 11,241,418	\$ 607,487	\$ 185,166	\$ 946,195
18	18	\$ 15,014,628	\$ 13,239,225	\$ 14,562,403	\$ 13,032,745	\$ 12,683,238	\$ 13,250,532	\$ 1,981,884	\$ 555,987	\$ 1,311,871
19	19	\$ 15,192,010	\$ 14,233,721	\$ 15,163,471	\$ 12,450,214	\$ 12,438,255	\$ 12,994,019	\$ 2,741,797	\$ 1,795,466	\$ 2,169,451
20	20	\$ 21,391,603	\$ 22,190,219	\$ 23,945,684	\$ 16,239,753	\$ 17,915,400	\$ 18,707,569	\$ 5,151,850	\$ 4,274,819	\$ 5,238,114
21	Total	\$ 120,832,959	\$ 122,917,018	\$ 130,610,154	\$ 109,085,837	\$ 113,089,753	\$ 117,902,471	\$ 11,747,122	\$ 9,827,265	\$ 12,707,683

*note: revenue and expenses exclude deposits as these are a net zero item.

Schedule 11e: Total Return Calculation

	Item	Amount
No.	(a)	(b)
1	Cost of Goods Sold Calculation	
2	Operating Expenses	\$ 117,902,471
3	Deposits	\$ 244,729,426
4	Cost of Goods Sold (#2+#3)	\$ 362,631,897
5	Pre-Tax Margin Calculation	
6	Return Margin (Combined)	5.93%
7	Revenues Required (#4/(1-#6))	\$ 385,491,546
8	Pre-Tax Margin (#7-#4)	\$ 22,859,649

Schedule 12: Target Year Revenue Requirement

No.	Existing Handling Commissions -		Proposed Handling Commissions -	
	Target Year Forecast		Target Year Forecast	
	Cost	Cost per Container	Cost	Cost per Container
1 Revenue	\$ 370,280,451	16.678	\$ 380,432,416	17.135
2 Less Purchases	\$ 244,729,426	11.023	\$ 244,729,426	11.023
3 Base Handling Commissions (HC)	\$ 125,551,024	5.655	\$ 135,702,990	6.112
4 Misc Revenue	\$ 313,032	0.014	\$ 313,032	0.014
5 Depot Viability Handling Commissions	\$ 4,746,098	0.214	\$ 4,746,098	0.214
6 Net Revenue	\$ 130,610,154	5.883	\$ 140,762,120	6.340
7 Expenses				
8 Direct Labour	\$ 42,616,038	1.920	\$ 42,616,038	1.920
9 Contract Labour	\$ 2,292,962	0.103	\$ 2,292,962	0.103
10 Overhead Labour	\$ 18,534,339	0.835	\$ 18,534,339	0.835
11 Building	\$ 27,206,920	1.225	\$ 27,206,920	1.225
12 Equipment	\$ 8,125,281	0.366	\$ 8,125,281	0.366
13 Vehicle	\$ 4,353,714	0.196	\$ 4,353,714	0.196
14 Overhead	\$ 14,773,218	0.665	\$ 14,773,218	0.665
15 Total Operating Expenses	\$ 117,902,471	5.311	\$ 117,902,471	5.311
16				
17 Total Return	\$ 22,859,649	1.030	\$ 22,859,648.67	1.030
18 Pre-Tax Return	5.93 %		5.93 %	
19 Revenue Requirement	\$ 140,449,088	6.326	\$ 140,449,088	6.326
20 Removal of Interest and Dividend Revenues per HC Agreement	\$ 0	0.000	\$ 0	0.000
21 Addition of Direct Labour costs per HC Agreement	\$ 0	0.000	\$ 0	0.000
22 Revised Revenue Requirement	\$ 140,449,088	6.326	\$ 140,449,088	6.326
23 DVHC Revenues	\$ 4,746,098	0.214	\$ 4,746,098	0.214
24 Handling Commission Revenues	\$ 135,702,990	6.112	\$ 135,702,990	6.112
25 Total Revenue at Current Rates	\$ 130,610,154	5.883		
26 Proposed Rate Increase	8.1%		0.0%	
System Data				
27 Target Year Volume	2,220,148,847		2,220,148,847	
28 Number of Depots		220		220

Schedule 13: Comparison to Previous AUR

No.		AUR 2024	2025/26 HCR	Difference	Difference
		Schedule 12	Schedule 12		
No.					
1	Revenue	\$ 350,950,445	\$ 370,280,451	\$ 19,330,006	5.5%
2	Less Purchases	\$ 242,112,760	\$ 244,729,426	\$ 2,616,666	1.1%
3	Base Handling Commissions (HC)	\$ 108,837,685	\$ 125,551,024	\$ 16,713,340	15.4%
4	Misc Revenue	\$ 335,494	\$ 313,032	\$ (22,463)	-6.7%
5	Depot Viability Handling Commissions	\$ 4,749,599	\$ 4,746,098	\$ (3,501)	-0.1%
6	Net Revenue	\$ 113,922,778	\$ 130,610,154	\$ 16,687,376	14.6%
7	Expenses				
8	Direct Labour	\$ 40,089,536	\$ 42,616,038	\$ 2,526,502	6.3%
9	Contract Labour	\$ 1,994,856	\$ 2,292,962	\$ 298,107	14.9%
10	Overhead Labour	\$ 19,173,426	\$ 18,534,339	\$ (639,087)	-3.3%
11	Building	\$ 25,073,717	\$ 27,206,920	\$ 2,133,203	8.5%
12	Equipment	\$ 6,373,694	\$ 8,125,281	\$ 1,751,587	27.5%
13	Vehicle	\$ 4,033,355	\$ 4,353,714	\$ 320,359	7.9%
14	Overhead	\$ 13,175,615	\$ 14,773,218	\$ 1,597,603	12.1%
15	Total Operating Expenses	\$ 109,914,198	\$ 117,902,471	\$ 7,988,273	7.3%
16					
17	Total Return	\$ 20,055,230	\$ 22,859,649	\$ 2,804,419	14.0%
18	Pre-Tax Return	5.39 %	5.93 %	0.54 %	10.0%
19	Revenue Requirement	\$ 129,633,934	\$ 140,449,088	\$ 10,815,154	8.3%
20	Removal of Interest and Dividend Revenues per HC Agreement	\$ 0	\$ 0	\$ 0	0.0%
21	Addition of Direct Labour costs per HC Agreement	\$ 0	\$ 0	\$ 0	0.0%
22	Revised Revenue Requirement	\$ 129,633,934	\$ 140,449,088	\$ 10,815,154	8.3%
23	DVHC Revenues	\$ 4,749,599	\$ 4,746,098	\$ (3,501)	-0.1%
24	Handling Commission Revenues	\$ 124,884,335	\$ 135,702,990	\$ 10,818,654	8.7%
25	Total Revenue at Current Rates	\$ 113,922,778	\$ 130,610,154	\$ 16,687,376	14.6%
26	Proposed Rate Increase	14.7%	8.1%	-6.7%	
System Data					
27	Target Year Volume	2,195,120,047	2,220,148,847		
28	Number of Depots	219	220		

12. Appendix II – Glossary

Item	Definition
Additional Hours	Hours used for additional sorting and shipping; preparing to open; cleaning up after closing; and after-hours management functions such as hiring, interviewing new staff, planning, and meeting with professionals.
Alberta Health Care	Payments for services provided by Alberta Health Services.
As Accepted Data	This data represents the 2024 UCA data as revised following the review process for UCA items that were unrelated to depot operations or were deemed to be 'unreasonable' by the DCA. This data is included for the same 209 depots that are represented in the As Reported data.
As Adjusted Data	<p>This data represents the As Accepted Data adjusted based on BCMB policies relating to the handling commission. These adjustments include the following:</p> <ul style="list-style-type: none"> • Prorating costs to a common 12-month reporting period • Removing accepted building costs and replacing them with deemed building lease rates and use costs as determined by the real estate expert
As Reported Data	This is the 2024 UCA data received from depots, reviewed and verified by the DCA as described in Section 3. This data represents the 209 depots that make up the Study System. All reported data is denoted by "As Reported".
Beverage Container Management Board (BCMB)	The Beverage Container Management Board was established as a management board under Alberta's Environmental Protection and Enhancement Act. It is also a not-for-profit organization incorporated under the Societies Act of Alberta. The BCMB is responsible for regulating Alberta's beverage container recycling system and leads the development of policy and programs that enable the recycling of beverage containers in Alberta.
Canada Pension Plan (CPP)	One of three levels of the Canadian government's retirement income system, which is responsible for paying retirement or disability benefits.
Capital Cost Allowance (CCA)	Amortization (Depreciation) allowed for income tax purposes.
Collector (COL)	A person who is paid an hourly fee to pick up containers from customers rather than customers bringing containers to the depot.
Collection Service Providers (CSP)	<p>A Collection Service Provider (CSP) can be either of the following:</p> <ul style="list-style-type: none"> A manufacturer of refillable containers that collects empty refillable containers that contained a beverage manufactured by that manufacturer, or empty containers that were refillable, but which are no longer refillable that contained a beverage manufactured by that manufacturer; or

Item	Definition
	Person contracted by a manufacturer of refillable containers to collect empty refillable containers that contained a beverage manufactured by that manufacturer or empty Containers that were refillable, but which are no longer refillable that contained a beverage manufactured by that manufacturer.
Collection System Agent (CSA)	The collection system agent appointed by manufacturers and approved by the BCMB in accordance with the BCMB's Collection System Agent By-law.
Collector Labour	The portion of labour allocated to the COL job percentage in the UCA.
Container Recycling Fee	The amount beverage manufacturers are required to pay to cover the net cost of recovering and processing a used, non-refillable beverage container.
Container Stream Cost Allocation	The allocation of the Revenue Requirement to each of the Material Streams identified in the Handling Commission Review.
Contract and Temporary Labour	Contract and temporary labour are for human resources that are not included on your T4 Summary including any employees paid in cash that can be verified by documentation submitted to the DCA.
Data Collection Agent (DCA)	The person appointed by the BCMB for the purpose of collecting and analyzing information about the beverage container recycling system in Alberta and reporting on that information.
Deposit	The refund provided by a depot to a person returning an empty registered container to the depot. The total refund for all containers shipped by the depot to the CSA is paid to the depot as deposit revenue.
Direct Labour	The portion of labour allocated to the LDH, BK, or HND job percentage in the UCA.
Drive-Thru Depot	A depot that accepts containers from customers that drive up to a service counter.
Employment Insurance (EI)	A federal insurance program that provides benefits to eligible unemployed people. Payroll tax collected by the federal government.
For-Profit	Depots that have a profit mandate.
Handling Commission	The amount payable for each container collected from a Depot in accordance with Section 13(b) of the BCMB's Handling Commission By-law.
Handling Commission Review (HCR)	A review of Handling Commission amounts directed by the Board pursuant to Section 7.1 of the BCMB's Handling Commission By-law.
Handling Commission Review Committee	A BCMB committee that reviews the most recently completed HCR.
Labour Hours and Costs – UCA Table 2	Employees included on this table are those related to both Direct and Overhead Labour functions in the depot. Direct and Overhead Labour includes employees

Item	Definition
	<p>performing the following functions: customer interface, cashiers, sorters, collection of containers from outside the depot, loading trucks, administrative duties, management duties, etc.</p> <p>These employees include all employees receiving a T4 from the Depot as well as any Owners or Managers who do not receive salary.</p>
Large Depot	A depot which handles over 15.5 million containers per year.
Leadhand (LDH), Bookkeeper (BK), or Handler (HND)	<p>Any person who performs the functions of a Leadhand, Bookkeeper, or Handler. All time spent performing direct labour functions such as customer interface, cashiers, sorters, loading trucks, etc. should be allocated to this job class. A brief description of each of the three job classes is found below:</p> <ul style="list-style-type: none"> • Leadhand: A person who provides floor supervision but is not involved in day-to-day administrative functions. • Bookkeeper: A person who is responsible for maintaining the day-to-day bookkeeping of the depot. • Handler: A person who works on the shop floor in direct labour functions.
Location Classification	As found in the BCMB Depot By-law, depots are classified as Metro, Urban, or Rural
Manufacturer	<p>A person who manufactures a beverage and includes:</p> <ul style="list-style-type: none"> a person who carries on the business of filling containers with a beverage; and a person who imports a beverage in a container into Alberta for the purpose of distribution or sale in Alberta.
Medium Depot	A depot which handles between 6 and 15.5 million containers per year.
Metro Depot	A depot in the City of Edmonton and/or the City of Calgary.
Manager (MGR)	A person who manages the depot on a day-to-day basis who does not own a financial interest in the depot.
Miscellaneous Revenue	Revenue other than regular handling commission and deposit revenue received from the manufacturing agents. These revenues include carboard sales, pick-up/collection fees, other recycling fees, bottle sales, value added fees, and other revenues.
Multi-Business	A depot with additional businesses-operating out of the same location. Depots that utilize a multi-business format are typically smaller depots or depots part of a charity organization.
Non-Profit	Depots that have a not-for-profit mandate, typically depots owned and/or operated by charities.
Offsite Collections	Activities to procure and bring containers to the depot for processing.

Item	Definition
Other Revenue	Revenue received where the expenses to provide the service are also reported in the UCA document, not included in a different miscellaneous revenue category.
Overhead Labour	The portion of labour allocated to the MGR job percentage in the UCA.
Owner (OWN)	A person who provides some type of management services and who owns a financial interest in the depot.
Purchases	Amounts paid by the CSA to the Depots to reimburse the depot for monies refunded to Customers for the Deposits that they have paid on Registered Containers that are returned to the depots.
Registered Containers	A Container that has been registered by the BCMB in accordance with the Regulation and the By-laws.
Retailer	A business that purchases a container from a Manufacturer to sell.
Return Margin	The quantum of money to be included in that particular Revenue Requirement which is derived from the Return Margin for Operating Expenses plus the quantum of money to be included in that particular Revenue Requirement which is derived from the Return Margin for Deposits.
Return Margin Methodology	A return margin utility model whereby depot return margins are determined based on an analysis of return margins for similar businesses with similar risk profiles.
Revenue	Handling Commission plus Miscellaneous Revenue. Equals Net Margin.
Revenue Requirement	The amount of money that all depots as a group must collect, through handling commissions, in a given period in order to recover prudently incurred costs, expenses and taxes and to earn a fair return.
Registered Retirement Savings Plan (RRSP)	A retirement savings and investing vehicle for employees and the self-employed in Canada.
Rural Depot	<p>A rural depot refers to depots in municipalities with populations below 10,000. There are two types of rural depots:</p> <ul style="list-style-type: none"> • Small rural: Population of 4,000 or less • Large rural: Population of more than 4,000 and less than 10,000
Square Foot (SF)	Measurement of building size in square feet.
Single-Business	A Depot where the related tax filing is for the Depot operations only; a business operation that is not a Multi-Business Depot.
Size Classification	As stated in the Depot Building Size Cap Policy, this classification splits depots into three groups: small, medium, or large.

Item	Definition
Small Depot	A depot that handles fewer than 6 million container per year.
Study System Depots	The 209 Depots that submitted fully completed 2024 UCA packages that were received by the DCA prior to July 31, 2025. The Study System is a sub-set of the Total System.
Target Year Data	Using the Total System Data, costs are escalated from the 2024 fiscal year period to the Target Year: the 12-month period ending on the target date of May 1, 2026. This is done using volume and depot escalators based on the Target Year forecast presented in Section 16 and the list of new depots to be opened in the Target Year provided by the BCMB.
Tax Ownership Type	Dictated by the type of tax return filed by the depot. Sole proprietors report their revenues and costs on their personal tax returns, incorporated entities complete a corporate tax return, and registered charities report as non-profit charities.
Total System Data	Adjusted data is prorated based on volume and the number of depots to account for exempt depots that do not report costs in their UCA and for depots that did not complete their UCA by the July 31st filing deadline. This step increases costs from the 209 depots included in the Study System to the total 221 depots in the full system.
Total System Depots	All depots operational in Alberta.
Uniform Code of Accounts (UCA)	The series of forms identified as such and provided to Depot Permit Holders by the Data Collection Agent for the purpose of collecting financial and operational data on an annual basis.
Universal Bottle Depot	For the purposes of this report, a depot.
Urban Depot	A depot located in a municipality with an official population equal to or greater than 10,000.
Walk-In Depot	A depot that accepts containers from customers that walk into the depot with their containers.
Workers' Compensation (WCB)	Payroll levy collected by the Alberta Workers' Compensation Board for worker injury insurance.



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