



# DCA Responses to DRP Information Requests

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Revision 01

Prepared for Beverage Container Management Board

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Prepared by MNP

**Chris Lavin** FCMC

National Consulting Leader

780-733-8640

Chris.Lavin@mnp.ca

**Chris Hartman** CMC

Senior Manager, Consulting

780-733-8617

Chris.Hartman@mnp.ca

## Introduction

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On November 27<sup>th</sup>, 2025, as part of the BCMB's Handling Commission Review (HCR) process, Registered Participants submitted 44 Information Requests (IRs) to the Data Collection Agent (DCA). Per the BCMB's revised schedule, the DCA is submitting its preliminary IR responses by December 19<sup>th</sup>, 2025; and final responses, revised Phase I and II reports, and revised Phase I and II schedules by January 9<sup>th</sup>, 2026.

Preliminary revisions have resulted in a net increase in the recommended Revenue Requirement in the amount of \$917,828: from \$139,531,260 in the original Phase I Report published October 29, 2026 to \$140,449,088. For reference the impacts of Revenue Requirement changes associated with IR responses to-date are as follows.

### IR Response Effect on Revenue Requirement:

Information Request	Effect on Revenue Requirement (+ or -)
ABDA-DCA-5	+ \$59,003
ABDA-DCA-6	+ \$18,264
ABDA-DCA-7	+ \$216,680
ABDA-DCA-8	+ \$114,560
ABDA-DCA-10	+ \$264
ABDA-DCA-11	+ \$321,470
ABDA-DCA-13	- \$2,828
ABDA-DCA-17	+ \$119,654
ABDA-DCA-27	+ \$932,658
ABDA-DCA-31	- \$326,179
ABDA-DCA-32	- \$675,317
ABCRC/ABCC-7	- \$8,694
Compounding effects of combined changes above	+ \$148,293
<b>Total</b>	<b>+ \$917,828</b>

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 1

Date: 2025.11.27

## References:

- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Cost and Revenue Trends

## Request:

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

## Response:

- a) and b) The requested historical schedules would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.  
“2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.  
2.24 A request for information in accordance with rule 2.22 or 2.23:  
2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the Participant and which is relevant to the matters in issue in the Handling Commission Review”

Note that many of the requested spreadsheets and table are available for reference in previously published Handling Commission Review Phase I and Phase II Reports.

**Information Request Response****In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC**Information Request #:** ABCRC/ABCC 2**Date:** 2025.11.27

## References:

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- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Overhead Labour – Correlation to operating hours

## Request:

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

- i. As Accepted data
- ii. As Adjusted data
- iii. Total System data
- iv. Target System data

h. For Depots with Overhead Labour Hours divided by Depot Operating Hours plus Additional Operating Hours that are outside 2 standard deviations, please investigate and provide the rationale for accepting the data outliers.

i. Phase I report page 22 – Overhead Labour costs - for uncompensated hours worked by family members, how is the number of overhead labour hours validated? Please explain fully.

j. Phase I report, page 34:

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

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

## Response:

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- a) The hours of operation that a depot provides are taken at face value and assumed to be accurate. In cases where there may be abnormalities in the depots operating hours, follow-up is conducted with the depot to gain additional information and adjustments may be made. Additionally, previous years' data are used to help verify the information. The DCA has no rationale to adjust the hours provided by the depot when they appear reasonable and consistent with previous years.
- b) The requested historical data tables would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

"2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.

2.24 A request for information in accordance with rule 2.22 or 2.23:

2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the

Participant and which is relevant to the matters in issue in the Handling Commission Review"

- c) Instances where a depot's overhead labour costs (or hours) divided by depot operating hours that are outside two standard deviations result in follow-up with the depot to confirm the accuracy of the information provided. When overhead labour costs (or hours) per depot operating hour are high, it is typically because the depot has more than one manager on the floor at a time, which is common among large depots. When overhead labour costs (or hours) per depot operating hour are low, it is typically because one or few individuals work at the depot at a time and their time is split between management and direct labour activities, which is common among smaller depots. As these explanations are reasonable, the DCA has no rationale to adjust these costs or hours when the depot confirms they are correct.
- d) See response to part b).
- e) Please see response to part c).
- f) The additional operating hours that a depot provides is taken at face value and assumed to be accurate. The DCA does not evaluate the reasonability of additional operating hours and therefore has no rationale to adjust the hours provided by the depot.
- g) See response to part b).
- h) See response to parts c) and f).
- i) In cases where uncompensated hours are reported by the Depot, the DCA will follow-up to confirm they are accurate. This results in the depot either confirming the hours are correct or providing updated hours if a mistake was made during the UCA submission. In situations where a related employee only worked uncompensated hours with no wage, the DCA moves these hours into regular hours worked and adjusts the employee's wage to the system average for the corresponding job class. The total overhead labour hours that remain after a depot has either confirmed the accuracy of uncompensated hours or provided an update to the uncompensated hours, is then taken at face value and assumed to be true. The DCA has no rationale to adjust these hours after the Depot has confirmed they are correct.
- j) Overhead labour costs and hours are reviewed and adjusted as described in the Phase I Report and in this and other information requests. Differences in unit costs by ownership types and by depot profitability are simply the result of depots' UCA reporting and the DCA's validation process.

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 3

Date: 2025.11.27

## References:

- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: 2024 UCA Information Review and Verification

## Request:

a. On page 10 of the Phase I report (pdf page 13) the DCA lists “seven data verification flags” to identify data outliers in the as reported data. Please provide a table providing the following information for each of the “seven data verification flags”, for each category of depot (small, medium and large depots):

- i. The average cost per hour or container as reported
- ii. The standard deviation per hour or container as reported
- iii. The number of depots where the as reported data verification flag was greater than 2 standard deviations
- iv. The number of depots where the as reported data verification flag was greater than 2 standard deviations and the DCA made an adjustment to the as reported data
- v. The sum of the DCA adjustments (in dollars) for depots where the data flag was more than 2 standard deviations and the DCA made an adjustment
- vi. The average cost per hour or container as accepted
- vii. The standard deviation per hour or container as accepted

b. Please provide a written summary of the most common types of adjustments, and the adjustments with the largest dollar values, that the DCA investigated and adjusted the as reported data stemming from the review of the seven data flags.

## Response:

- a) The requested historical data tables would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw, the DCA has determined that developing the requested tables is outside the scope of HCR Information Requests.

Data verification flags are calculated from a rolling year of data, i.e., the most recent UCA submitted by every depot in the system. As such, the system averages and standard deviations used to trigger data verification flags continuously change throughout the year as depots' previous UCAs are replaced by their more recently submitted UCAs in the calculation. A static set of system averages and standard deviations for 2024 UCAs would not be the same figures used to calculate data verification flags throughout the year.

The DCA's data verification flag process is used, as intended, to identify outliers for the DCA to then further review. The DCA also identifies data on UCA entries for further review when the DCA observes an anomaly, an incomplete entry (such as a missing data field), or anything the DCA would like additional clarification about. For either initial reason for further review, this review typically includes correspondence with the depot to confirm whether the data was entered intentionally and accurately and to provide any additional context that may help the DCA in determining the reasonability of the data. In some cases, the DCA then adjusts the data as appropriate. In many cases, when the depot confirms accuracy and provides context that the DCA deems reasonable, the data is left unchanged. Changes to the data are ultimately made at the DCA's discretion – i.e., no data is changed "automatically" because of a data verification flag.

- b) As the data verification flag function only alerts the DCA to further review UCA data, and the DCA also conducts further review on UCA data for other reasons (i.e., DCA observations), the DCA does not specifically track which adjustments were initially reviewed because of a data verification flag. Adjustments are made for many reasons including but not limited to depot data entry errors on their UCA submission (inaccuracies or missing data fields), wage adjustments related to tax planning or profit sharing, revising activity breakdowns for employees (MGR, LBH, COL), and re-allocating 'other' costs and 'other revenues' to more specific and appropriate categories.

**Information Request Response****In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC**Information Request #:** ABCRC/ABCC 4**Date:** 2025.11.27

## References:

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- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Depot Statistics over Time

## Request:

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a. ABCRC/ABCC would like to understand longer term trends in depot operations. Please provide the following for each handling commission update, change or review process from 2009 to 2024, where the DCA has the data, and provide in spreadsheet format (data can be provided in a spreadsheet that would allow for these tables and figures to be recreated):

- i. Table 3 –Study System (Including Exempt Depots) Depot Volume Summary
- ii. Table 4 – Depot Operational Statistics
- iii. Phase I Report, Figure 5 – Reported Operating Hours Per Week
- iv. Table 8 – As Reported Depot Operating Hours
- v. Table 13 – As Reported / Accepted / Adjusted Miscellaneous Revenue
- vi. Table 17 – As Adjusted T4 / Owner Labour Statistics By Job Class
- vii. Table 18 – As Adjusted Contract / Temporary Labour Statistics by Job Class
- viii. Table 19 – As Adjusted T4 / Owner Labour Statistics By Work Type
- ix. Table 20 – As Adjusted Contract / Temporary Labour Statistics by Work Type
- x. Table 22 – As Adjusted Direct Labour Benefits
- xi. Table 23 – As Adjusted Direct Labour Statistics
- xii. Table 32 – BCMB Measured Square Footage
- xiii. Table 34 – Total System Building Square Footage Cap Calculation
- xiv. Table 36 – As Adjusted Building Costs
- xv. Table 38 – As Adjusted Vehicle and Equipment Cost Summary
- xvi. Table 40 – As Adjusted Leased Asset Lease Cost Category
- xvii. Table 43 – As Adjusted Vehicle Cost by Use Type
- xviii. Table 44 – As Adjusted Vehicle Costs

- xix. Table 46 – As Adjusted Vehicle Lease Costs by Use Type
- xx. Table 48 – As Adjusted Equipment Costs by Depot Size Classification
- xxi. Table 50 – As Adjusted Overhead Cost by Depot Size Classification
- xxii. Table 51 – As Adjusted Collection Costs
- xxiii. Table 53 – Application of Offsite Collections Cost Cap

## Response:

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The requested historical data tables would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

"2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.

2.24 A request for information in accordance with rule 2.22 or 2.23:

2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the Participant and which is relevant to the matters in issue in the Handling Commission Review"

Note that many of the requested tables are available for reference in previously published Handling Commission Review Phase I and Phase II Reports.

**Information Request Response****In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC**Information Request #:** ABCRC/ABCC 5**Date:** 2025.11.27

## References:

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- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Miscellaneous Revenue

## Request:

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

## Response:

- a) The removal of cardboard sales revenue from the As Reported system was because one depot had erroneously reported their total operating expenses of \$240,778 on their UCA's cardboard sales line. This amount was removed from the As Accepted system.
- b) Please see the following table.

Cardboard Sales Revenue Reporting					
Depot Size	Number Reporting	As Reported	As Accepted	As Adjusted	
Small	2	\$ 241,753	\$ 975	\$ 1,170	
Medium	4	\$ 4,839	\$ 4,839	\$ 4,839	
Large	4	\$ 3,065	\$ 3,065	\$ 3,065	
Total	10	\$ 249,657	\$ 8,879	\$ 9,074	

- c)
  - (i) This section of the Phase I report should have referred to "revenues" rather than costs. The Phase I Report will be revised to read as follows: "Fifty-four depots reported **revenues** related to interest and investments. Each depot that included these **revenues** 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 **revenues** were removed from the calculations of the Revenue Requirement. This methodology has been applied, removing \$1,091,815 from the As Adjusted system."
  - (ii) Phase I Schedule 9 row 7 (Excel row 12) shows Other Revenue decreasing from \$1,759,002 in the As Accepted system to \$425,154 in the As Adjusted system. Of this decrease, \$1,091,815 was from the removal of interest and investment revenue.
  - (iii) As discussed in part c) i), this section of the report should have read "revenues related to interest and investments" and not "costs related to interest and investments." The DCA is unaware of a change in treatment of revenues related to interest and investments in the 2019/20 HCR.
- d) Two types of 'other revenue' are removed in the As Adjusted system: building rental revenue, and interest and investment revenue. See part c) i) for the rationale for removing interest and investment revenue. The rationale for removing building rental revenue is described in section 5.1.4 of the Phase I Report as follows:

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, these revenues associated with extra space have also been removed from the other revenue category. This has resulted in \$264,802 being removed from the As Adjusted other revenue category.

e) Please see the following table:

<b>Other Revenue</b>				
<b>Depot Classification</b>	<b>Depots Reporting</b>	<b>As Accepted</b>	<b>As Adjusted</b>	<b>Difference</b>
Small	24	\$ 431,287	\$ 185,609	-\$ 245,677
Medium	34	\$ 511,749	\$ 138,798	-\$ 372,951
Large	23	\$ 815,966	\$ 100,746	-\$ 715,220
Total	81	\$ 1,759,002	\$ 425,154	-\$ 1,333,847

## Information Request Response

**In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

**Information Request #:** ABCRC/ABCC 6

**Date:** 2025.11.27

## References:

- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Insurance Proceeds

## Request:

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

## Response:

- a) Building maintenance costs are reported on Table 7 of the UCA. Repair costs are not reported separately. The total As Accepted building maintenance costs reported by the two depots who reported insurance proceeds was \$7,530. This represents 0.5% of the As Accepted system's total building maintenance costs.
- b) In the Phase I Schedules workbook, building maintenance costs are included in the Use Costs shown in Schedule 5.
- c) The DCA does not undertake specific steps to ensure depot-reported expense/repair costs are "properly incurred system costs." One reason is that in Revenue Requirement calculations, building costs including building maintenance costs are replaced by the deemed building costs recommended by the Real Estate expert.

**Information Request Response****In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC**Information Request #:** ABCRC/ABCC 7**Date:** 2025.11.27

## References:

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- 2025.10.29.MNP Phase I Report
- Issue/Sub-Issue: Data Outliers

## Request:

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- a. On Phase I Report, Figure 6 there are 2 Large Depots with significantly more FTEs than other depots with similar annual values. Please investigate and advise why the large number of labour hours for these two depots were accepted As Adjusted labour costs.
- b. On Phase I Report, Figure 7 there are 2 Large Depots with significantly more As Adjusted Direct Labour hours than other depots with similar annual values. Please investigate and advise why the large number of direct labour hours for these two depots were accepted As Adjusted labour costs.
- c. On Phase I Report, Figure 9 there is 1 Small Depot with significantly higher As Adjusted Direct Labour Rate (over \$45/h) compared to other depots with similar annual values. Please investigate and advise why the direct labour costs for this depot were accepted As Adjusted labour costs.
- d. On Phase I Report, Figure 9 there are 3 other Depots with higher As Adjusted Direct Labour Rate (over \$32/h) compared to other depots with similar annual values. Please investigate and advise why the direct labour costs for these depots were accepted As Adjusted labour costs.
- e. On Phase I Report, Figure 8 there is 1 Small Depot with lower As Adjusted Direct Labour Rate (under \$15/h min. wage). Please investigate and advise why the direct labour costs for this depot were accepted As Adjusted labour costs
- f. On Phase I Report, Figure 10 there are 2 Large Depots with higher As Adjusted Overhead Labour Hours (over 10,000/y). Please investigate and advise why the overhead labour costs for these depots were accepted As Adjusted labour costs.
- g. On Phase I Report, Figure 10 there is 1 Large Depots with no As Adjusted Overhead Labour Hours. Please investigate and advise why no overhead labour costs for this depot included in the accepted As Adjusted labour costs.
- h. Phase I Report, Figure 13 - please explain why the largest depots in Volume Cluster 20 appear to have at least two full time managers / owners for every operating hour compared to slightly smaller depots in Volume Clusters 16 to 19 that have about 1.5 full time managers / owners for every operating hour.

## Response:

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- a) and b) These two depots are both large, non-multi-businesses with over 80% of employees being unrelated employees. The depots reported these employees and their costs, which reconciled with their financial documents. The DCA had no reason to adjust any of the reported employee labour hours.
- c) Upon review this depot had \$70,000 identified as management fees reported as 'other labour'. This amount has been removed from the As Accepted system, resulting in an As Adjusted direct labour average wage of \$17.08 per hour.
- d) Upon review, one depot's labour costs and hours had populated incorrectly in the As Accepted system. In correcting this data, \$34,372 was removed from 'other labour', and 2,160 hours and \$58,665 were added to overhead labour. This resulted in the depot's direct labour rate being \$16.50 per hour.

The other two depots with higher direct labour wages both had higher overall benefit costs relative to their direct labour hours. In the direct labour average wage calculation, the full amount of the depot's employer portion of EI, CPP and workers compensation amount is included. As a significant portion of these benefits may be better attributed to the depot's manager costs, the true direct labour costs for these depots is likely lower than the \$32 per hour shown in figure 9. The respective calculated direct labour average wages for these depots are reasonable.

- e) Upon review, this depot had owner wages that were not populating correctly in the DCA records. This has been adjusted adding \$22,013 to As Accepted labour costs. This Depot's direct labour wage is now \$23.66 per hour.
- f) These two depots are both large, non-multi-businesses with over 80% of employees being unrelated employees. The depots reported these employees and their costs, which reconciled with their financial documents. The DCA had no reason to adjust any of the reported employee labour hours or costs.
- g) This depot reported paying a management company for its manager function. Those fees (\$150,000) are reported on the depot's UCA and have been included in its As Accepted data as 'other labour' costs. As such, it is reasonable for this depot to show as having no overhead labour in Figure 10, as 'other labour' costs are not included in this chart's overhead labour cost calculation.
- h) The depots in the largest depot categories tend to have higher manager hours than other depots. The DCA follows up with depots that are flagged as having high manager hours, which results in the depots confirming that they are correct or providing an adjustment to the accurate amount. The DCA had no reason to further remove any reported manager hours for these depots.

The net result of changes related to this information request was a \$8,694 decrease in the Target Year Revenue Requirement.

**Information Request Response****In Response to HCR Document #:** 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC**Information Request #:** ABCRC/ABCC 8**Date:** 2025.11.27

## References:

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- Off-Site Collection
- Issue/Sub-Issue: Data Outliers

## Request:

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

## Response:

a) The following tables have been extracted from the Handling Commission Review Phase I and Annual Update Reports back to 2010. The DCA has not validated any of the underlying calculations and data in these tables.

Category	2010/11 HCR	2013/14 HCR	2016/17 HCR	2019/20 HCR	2020 AUR
<b>Volume Escalator</b>					
Previous Target Year Volume		1,812,187,768	1,999,583,542	2,134,604,789	2,016,713,355
Current Target Year Volume		2,016,572,678	2,098,241,462	1,995,218,459	2,041,123,320
Volume Escalator		1.11	1.05	0.94	1.01
<b>Labour Escalator</b>					
Previous As Adjusted Direct Labour Rate	\$	16.60	\$	16.01	\$
Current As Adjusted Direct Labour Rate	\$	16.01	\$	17.18	\$
Labour Escalator		0.96		1.07	
<b>Maximum Collection Costs</b>					
Previous Year Maximum Collection Costs	\$	1,200,000	\$	1,498,121	\$
Current Maximum Collection Costs	\$	1,200,000	\$	1,287,709	\$
<b>Category</b>					
	2021 AUR	2022 AUR*	2023 AUR	2024 AUR	2025/26 HCR
<b>Volume Escalator</b>					
Previous Target Year Volume	2,041,123,320	2,199,842,939	2,182,672,674	2,172,816,412	2,195,120,047
Current Target Year Volume	2,199,842,939	2,182,672,674	2,172,816,412	2,195,120,047	2,220,148,847
Volume Escalator	1.08	0.99	1.00	1.01	1.01
<b>Labour Escalator</b>					
Previous As Adjusted Direct Labour Rate	\$	19.85	\$	20.14	\$
Current As Adjusted Direct Labour Rate	\$	20.14	\$	20.07	\$
Labour Escalator		1.01		1.00	
<b>Maximum Collection Costs</b>					
Previous Year Maximum Collection Costs	\$	1,875,441	\$	4,275,061	\$
Current Maximum Collection Costs	\$	2,050,888	\$	4,227,991	\$

\*Noted from the 2022 AUR: "At the January 25, 2022 Handling Commission Review Committee meeting, the Committee confirmed that the BCMB Board approved an increase to the offsite collections cap. From the meeting minutes: 'Management clarified with the Committee that the Board, at the November 2021 meeting, approved an increase to the offsite collection cap. The cap was increased to \$4,275,061 and this amount will be used by the DCA to apply to future Annual Update Reports and Handling Commission Reviews with the application of the escalator as it is described in the Offsite Collection Policy. The ~\$4.2M will be used as the baseline cap going forward until the Board deems it appropriate to adjust that amount.' The DCA applied this cap as directed by the Board."

- b) This data is unavailable. The DCA does not collect volume data or estimates for offsite collections. It is the DCA's understanding that depots do not track this data.
- c) The DCA does not have specific data about Skip the Depot activities and costs. Depots report offsite collection costs as Table 9 Collection Costs, Collector Labour, Vehicle Costs, and Non-Labour Collection costs. These are shown on Table 51.
- d) Deposit revenues for third party services and offsite collections are not reported by depots.
- e) There is no specific area in the UCA or Phase I report for collecting or reporting the data described.

As such the DCA cannot confirm if cases exist where depots report incremental revenue due to returning less than the full deposit amount to the consumer for offsite collections. If such cases exist, it is possible that some depots may include them in their reporting of "negative shrinkage" (a total of \$23,213 was reported by three depots as 'other revenue' with "negative shrinkage" as their comment) or "pick-up/collection fees" (a total of \$356,036 reported by 16 depots). Both are collected on UCA Table 8 and reported in the Phase I Report on Table 13.

- f) No, the DCA does not collect volume data or estimates for third party collection services or other offsite collections.
- g) The DCA does not collect volume data or estimates for containers collected through municipal programs.
- h) The DCA does not collect volume data or estimates for efficiency against depots have experienced from receiving pre-sorted containers collected through municipal programs.

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 9

Date: 2025.11.27

## References:

- 2025.10.29 MNP Phase I Report, 5.4.1 Vehicle Costs
- Issue/Sub-Issue: Vehicle Costs and Personal Use

## Request:

a. On p. 46 (pdf p. 49), the DCA states:

*"The DCA made changes to allocations provided by depots when the type of vehicle reported would not typically be used for the indicated activity (eg. depots reporting BMWs for offsite collections)."*

- (i) What steps did the DCA take to verify that even if a vehicle was a truck or van it was properly being used for offsite collection purposes? Please explain fully and provide the quantum of all adjustments by Volume Cluster.
- (ii) Did the DCA evaluate the reasonableness of the cost of features and models for vehicles used in offsite collections? For example, if a passenger truck was deemed to be a system cost was the truck of a type more commonly used for off-site collection or as a passenger vehicle? Please explain fully.

b. On p. 45 (pdf p. 48), the DCA states:

*"As shown in the table above, 6% of the cost was allocated by depots and the DCA to personal use, . . ."*

- (i) What evaluation or analysis did the DCA undertake to determine that 6% was a reasonable and likely percentage of personal use? Please explain fully the evaluation or analysis process and please provide any statistics or sources relied upon.
- (ii) How did the DCA verify that 6% was not an unreasonably low or high percentage to accept for personal vehicle use? Please outline the verification process or analysis undertaken and please provide any information or documents (without providing any confidential information) relied upon to come to this conclusion. Please explain fully and provide the quantum of all adjustments by Volume Cluster.

## Response:

a)

- i. During the review of UCA submissions, the DCA reviews each table and identifies any data that appears questionable or inconsistent. Once this data has been flagged, the DCA communicates with depots to pose an initial set of inquiries aimed at clarifying the depot's overall context and assessing whether their justifications are reasonable. For example, if we come across a relatively small depot

with unexplainable high vehicle costs, we will request the depot to provide a justifiable explanation. There have been instances where depots have given a cost breakdown of each expense as well as documentation for a line of credit regarding any vehicles in question. The DCA may also consider the depot's UCA submissions from previous years to monitor expense trends for reference. While this explanation may differ across depots, the DCA consistently applies careful discernment during the review process.

The DCA cannot completely verify if a depot is "properly" using its vehicles for the stated allocated purposes as it is not physically present onsite; therefore, costs that a depot confirm are correct are accepted as the source of truth when the justification appears reasonable.

- ii. The DCA considers the different models and features of the reported vehicles. For example, we have seen instances where depots may have listed a luxury as a vehicle for 100% offsite collection use. In situations such as this, it can be reasonably inferred that these vehicles were intended to be used primarily for personal or business-related purposes and are discussed with depots and reallocated accordingly. The DCA does not track the frequency of a specific vehicle make or model used for off-site collections versus a passenger vehicle among depots. Costs related to the vehicle are confirmed with the depot and cross checked with the submitted financial documents to ensure they align.

b)

- i. The DCA's vehicle use breakdown verification is described in part a) above. The DCA accepts the results of this verification process as calculated. In 2024 data, through this verification process, 6% of all vehicle costs were allocated as having been for personal use.
- ii. See responses to parts a) and b) i. above.

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 10

Date: 2025.11.27

## References:

- 2025.10.29 MNP Phase I Report, 5.4.2, Equipment Costs, p. 49 (pdf p. 52)
- Issue/Sub-Issue: Adoption of Automation Equipment

## Request:

In the last paragraph of p. 49 (pdf p. 52), the DCA states:

*“... the higher equipment costs could primarily be attributed to significant adoption of automation equipment, specifically for larger depots.”*

- Has the DCA undertaken any analysis on the correlation between the depots who have the highest maintenance expense (i.e., from automation equipment) and the depots who have the lowest labour time per container? Please explain fully and provide the results of any analysis.
- How has the DCA verified that the increase in As Adjusted total equipment costs is primarily attributable to the adoption of automation equipment, especially for larger depots? Please explain fully. If this has not been verified, please explain fully why not?
- If the DCA has verified that higher equipment costs are attributable to the adoption of automation equipment, has the DCA identified a reduction in FTEs at such larger depots? For example, has the DCA evaluated and identified a reduction in the seconds per container handling time at large depots? Please explain fully and provide the results of any analysis undertaken by the DCA.
- Does the DCA agree that investment in automation equipment should lead to a reduction in FTEs? Please explain fully. If the DCA does not agree, please explain why not.
- If there has not been an increase in efficiency, has the DCA questioned or evaluated the reasonableness of allowing such automation investments into the revenue requirement? Please explain fully. If yes, please provide the results of any evaluation. If not, please outline why this type of evaluation has not been undertaken.
- If the higher equipment costs are not attributable to automation equipment investments, has the DCA determined any other factors or equipment that has caused the increase? What are they? Please explain fully.
- Phase I report, Table 23 –Average Time Per Container (s/container) is higher for larger depots and larger depots tend to have higher investments in automation. Please provide any analysis undertaken to explain this trend.
- Please provide table similar to Table 23 combining all labour types.

## Response:

- a) The DCA has not undertaken any analysis on the correlation between the depots who have the highest maintenance expense (i.e., from automation equipment) and the depots who have the lowest labour time per container.
- b) The DCA reviewed the 20 depots who reported the largest year-over-year equipment cost increases. Of these, eleven depots reported a total year-over-year cost increase of over \$800,000 that was specifically associated with automated counting and sorting equipment. The balance of these 'top 20' depots' year-over-year equipment cost increases were related to newly purchased equipment, such as balers, floor scrubbers, pallet jacks, shopping carts, sorting stations, tables, and snow blowers; and new leased equipment such as pallet jacks, forklifts, storage cages, and trailers.
- c) – e) The DCA has not conducted a specific analysis on the relationship between depots' adoption of automation equipment and depot labour. This type of evaluation has not been requested of the DCA, and we agree it may be a study that is worthy of consideration.
- f) Please see response to part b).
- g) Please see response to parts c) – e).
- h) Please see the following table:

	Small	Medium	Large	Total
Depots Reporting Total Labour Costs	97	59	53	209
% of Total	100%	100%	100%	100%
Depots Reporting Total Labour Hours	97	59	53	209
% of Total	100%	100%	100%	100%
Average Hourly Wage (\$/Hour)	\$ 23.20	\$ 23.55	\$ 23.21	\$ 23.29
Average Cost per Container (¢/container)	3.06	2.97	2.67	2.81
Average Time Per Container (s/container)	4.84	4.52	4.14	4.34

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 11

Date: 2025.11.27

## References:

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- 2025.10.15.Volume.Forecast.Update.DCA
- Issue/Sub-Issue: Volume Forecast

## Request:

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

## Response:

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- The referenced container streams are forecasted in the same way as other container streams, i.e., each is individually forecasted using all available sales and returns data and the same calculations. Their forecasts are shown differently in the Volume Forecast Update, i.e., they are shown in aggregate, because their monthly sales volumes are attributable to specific companies and brands and are therefore kept confidential. This approach has been consistent since the previous Handling Commission Review.
- Please see response to Information Request ABDA-DCA-26.
- Please see response to Information Request ABDA-DCA-26.

## Information Request Response

In Response to HCR Document #: 37.2025.11.27.DCA.Information.Request.ABCRC.ABCC

Information Request #: ABCRC/ABCC 12

Date: 2025.11.27

## References:

- 2025.10.03.Indices.Report.CPI.Forecast.July.2025.CBOC
- Issue/Sub-Issue: CPI Forecast

## Request:

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

## Response:

- a) The DCA does not correspond with the CBOC or provide instructions to the CBOC for preparing the CPI forecast. Rather, the DCA purchases and downloads the Consumer Price Index Quarterly Forecast for Alberta (CBOC Timeseries File ID: RPCPIA) from the CBOC through its e-data portal.
- b) See response to part a).
- c) The CBOC does not publish a detailed explanation of its forecast methodology and calculations. Following receipt of this ABDA information request, the DCA asked CBOC for any description it has about its forecasting methodology and/or calculations CBOC uses to develop this forecast. CBOC's response was as follows:  
"The Conference Board of Canada's CPI forecast for Alberta leverages historical data from Statistics Canada. The forecast is generated using determinants of price changes, including interest rates, the output gap, and commodity prices. Movements in the subcomponents the aggregate consumer price index are also used to inform the forecast."
- d) Following is a link to CBOC Provincial Forecast (5 year) e-data available for purchase, including the Alberta CPI quarterly forecast: <https://edata.conferenceboard.ca/e-data/browsedirectories.aspx?did=21>

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-1

**Requesting Party:** ABDA

**Subject:** Return Margin - Turnover Ratio

**Date:** 2025.11.27

## References:

- 2025.06.02.Return.Margin.Expert.Final.Report.Concentric (Doc 14) (the "Concentric Report")
- 2019.06.04.Return.Margin.Final.Report.Concentric (the "2019 Concentric Report")
- 2025.07.07.Concentric.Responses.to.ABDA.1-5.Concentric (Doc 26) (the "Concentric IR Responses")
- 2025.10.03.2024.UCA.Instruction.Manual.DCA (Doc 28)(the "UCA Instruction Manual")
- 2019.06.04.Return.Margin.Final.Report.Bottom.Up.Approach.Attachment.3.xlsx ("TOR Calculation Spreadsheet")

## Preamble:

Concentric has calculated a turnover ratio (TOR) for the depots by using balance sheet data from prior Handling Commission Reviews. The Concentric Report, at page 9, states:

... using the balance sheet data provided by the DCA for the 2019 return margin analysis, Concentric calculated a turnover ratio for the Depots of 2.31.

According to the 2019 Concentric Report, Concentric used balance sheet data from 2017 for its 2019 return margin analysis. See for example the 2019 Concentric Report at pages 6, 14 and 20, where Concentric states:

Based on 2017 balance sheet data provided to Concentric by the DCA, we confirmed that the Depots do not make significant investments in capital assets under their business model, ...

...

Using data provided by the DCA, Concentric calculated a turnover ratio for the Alberta Depots of 2.31 in 2017."

...

In order to estimate the return margin for Depot operations, Concentric used the 2017 balance sheet data provided by the DCA to develop what utility regulators would refer to as a "rate base" for the

Depots.

...

As previously mentioned, using the balance sheet data provided by the DCA, Concentric calculated a turnover ratio for the Depots of 2.31.

In the TOR Calculation Spreadsheet, Concentric provided details of how it calculated the TOR of 2.31 (the "2017 TOR") used in the 2019 Concentric Report. Specifically, the TOR Calculation Spreadsheet, at sheet titled "Turnover Ratio – Depots", states as follows:

<b>Turnover Ratio for Depots</b>	
<b>Revenues - 2017</b>	<b>\$ 316,585,046</b>
<b>Current Assets</b>	<b>\$ 35,135,995</b>
<b>LT Assets</b>	<b>\$ 71,363,104</b>
<b>Net Goodwill</b>	<b>\$ 30,457,271</b>
<b>Total Assets</b>	<b>\$ 136,956,370</b>
<b>Turnover Ratio</b>	<b>2.31</b>

For the current HCR (2025), Concentric has stated that there is an absence of updated balance sheet data from the Depots, but that if such updated data were available, they would support a review of the historically used turnover ratio range of 2.00 to 9.00. In the Concentric IR Responses, Concentric states as follows in response to ABDA's information request ABDA-RM-1:

Historical consistency is the main reason for continuing to use turnover ratios from 2.00 to 9.00. In the absence of updated Depot balance sheet data, we did not find a compelling reason to change the range of turnover ratios that is used to select risk comparable companies. As noted on page 23 of our report, we would support a review of this range if updated data were available from the Depots. With this issue in mind, Concentric provided a stress-test of these outlier thresholds on pages 21 through 23 of our report." [emphasis added]

Depots are required to file updated balance sheet information with their UCA filed with the DCA each year. The UCA Instruction Manual states as follows, at PDF page 6:

In order for the UCA filing to be complete, Depot owners must provide a copy of the following information for the matching time period:

- Completed UCA electronic spreadsheet.
- All pages of the fiscal year Canada Revenue Agency (CRA) tax return (corporate for incorporated businesses or personal return for sole proprietors). Please note the CRA key summary is not acceptable and is not required.
- All pages of the fiscal year financial statements that accompanied the tax return or the GIFI

summary within your tax return filing. For sole proprietors, provide all pages of the Statement of Business or Professional Activities forms.

[emphasis added]

In summary, the TOR was last updated over 5 years ago (HCR 2019) with balance sheet information from more than 7 years ago (fiscal 2017). Concentric supports a review of the TOR range if updated data is available. Updated (fiscal 2024) balance sheet information has been provided to the DCA in preparation for the current HCR, through the UCAs filed by Depots.

The ABDA would like to confirm the DCA's views on the impacts of updated balance sheet information.

Issue/Sub-Issue: CPI Forecast

## Request:

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- (a) Using the most recent depot system balance sheet data (e.g., fiscal 2024) provided on the UCAs used for the current HCR, please provide, on an aggregated basis, the depot system financial information necessary to facilitate calculation of the depot system TOR in a manner similar to that provided in the TOR Calculation Spreadsheet.
- (b) Please provide a calculation of the depot system TOR ("2024 TOR") based on the most recent depot system balance sheet data (e.g., fiscal 2024) provided on the UCAs used for the current HCR.
- (c) If the 2024 TOR resulting from use of the fiscal 2024 financial information is different from the 2017 TOR, then please explain why. If the two TORs are not different, then please explain why.
- (d) If the 2024 TOR is different from the 2017 TOR, then please explain whether the 2024 TOR has any impact on the TOR range of 2.00 to 9.00, including explaining the nature of the impact and the considerations that inform your views.
- (e) If the 2024 TOR has any impact on the TOR range of 2.00 to 9.00, then:
  - i. Please explain what the appropriate TOR range should be and the reasons supporting that range.
  - ii. Please calculate the number of companies included within this appropriate TOR range, and whether the number of companies included is greater than or less than those included with the historically used TOR range of 2.00 – 9.00.

iii. Please provide your opinion as to whether the use of the historical TOR range of 2.00 - 9.00 should be changed for the 2025-26 Handling Commission Review.

(f) If the historical TOR range of 2.00 – 9.00 should be changed, then please calculate and explain any impacts to the Phase 1 and Phase 2 reports.

## Response:

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Concentric Energy Advisors ("Concentric") provided the following response:

a) – (f) Although balance sheet data is available for the Alberta depots for 2023 and 2024, Concentric's understanding from the DCA is that the balance sheet data is in raw format and has not been aggregated or validated for the depot system. In our previous experience with the 2017 aggregated balance sheet data, there is a substantial amount of effort involved to extract the necessary asset data for each depot. In addition, there is significant variation in the quality and consistency of the accounting data reported by the individual depots, which means that an element of judgment is required in analyzing and categorizing the asset data.

Concentric did not undertake this analysis as part of its initial return margin report for 2025. Our prior analysis of the 2017 balance sheet data allowed us to confirm that the average turnover ratio of 2.31 for the Alberta depots was within the established range of 2.0 to 9.0 that has been used for many years to screen companies for inclusion in the U.S. comparator group. This gave us a degree of confidence that the turnover ratio range was reasonable for purposes of the return margin analysis. If Concentric were to update the calculation of the turnover ratio using more recent balance sheet data provided by the depots, our expectation is that there would not be a meaningful difference in the results. To reiterate, the balance sheet data reported by the depots is imperfect at best, making it difficult to conclude that the resulting turnover ratio precisely reflects the circumstances for the depot system.

While Concentric could undertake such an analysis if the BCMB finds it useful, we anticipate it would take a substantial amount of additional time to develop the updated analysis of the balance sheet data. Specifically, we estimate an additional 40–50 hours of time to update the turnover ratio calculation for the depot system. We understand that the extra cost may not be worth the value of updating that analysis, which is the primary reason we did not include that as part of our original 2025 report.

Note: the DCA confirms that depots' 2024 balance sheet data exists only in raw format (i.e., PDF files submitted as part of their other financial statements) and has not been aggregated or validated for the depot system in any way.

## Information Request Response

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-2
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Return Margin - Exclusion of Unprofitable Canadian Companies
<b>Date:</b>	2025.11.27

## References:

- 2025.06.02.Return.Margin.Expert.Final.Report.Concentric (Doc 24) (the "Concentric Report")
- CAS-1195647\_Client\_tables\_Confid (Statistics Canada Report) (Retail Trade Survey Excluding Unprofitable Canadian Companies) (Attached to this IR as Appendix "A")
- CAS-1197556\_2021-2023\_Alberta Bottle Depot Association (Statistics Canada Report) (Wholesale Trade Survey Excluding Unprofitable Canadian Companies) (Attached to this IR as Appendix "B")
- CAS-1195647\_Glossary (Attached to this IR as Appendix "C")
- CAS-1195647\_A Note About the NAICS Classification (Attached to this IR as Appendix "D")
- Correspondence with Statistics Canada arranging preparation of the reports (Attached to this IR as Appendix "E")

## Preamble:

In the Concentric Report at page 9, Concentric states the following regarding the exclusion of unprofitable companies from the return margin analysis:

We also continue to believe that it is reasonable to exclude unprofitable companies from the return margin analysis. Companies with negative projected growth rates are typically excluded from such analyses because it is not reasonable to believe that investors would invest in a company that is expected to have negative earnings in perpetuity; therefore, these companies would not set a reasonable benchmark return for sustainable operation of the Depots. This approach is consistent with the methodology employed by Concentric and PEG in previous reports.

In the Concentric Report at page 5, Concentric confirms the removal of unprofitable companies from the U.S. return margin calculation:

Companies' individual years in which pretax income was negative were excluded. Investors do not expect negative income to continue in perpetuity.

In the Concentric Report at page 5, Concentric notes a limitation in its Canadian data:

One limitation of the CANSIM source is that the data are reported in aggregate by industry category and not at the firm/company level.

There is the possibility that the CANSIM data used by Concentric for risk comparison analysis includes Canadian companies with negative income. Inclusion of such unprofitable companies would be inconsistent with the stated principle that such data should be excluded. Due to confidentiality requirements however, Statistics Canada will not provide data on individual companies.

Statistics Canada has provided reports on CANSIM Wholesale and Retail industry groupings filtered to include only companies with a positive operating margin. Copies of these reports, related memorandums, and related correspondence are attached as Appendices. Appendices A-D were provided by Statistics Canada in response to the correspondence at Appendix E. The ABDA would like to confirm the DCA's views on the impacts of filtered CANSIM data.

## Request:

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- (a) Please provide your opinion on whether CANSIM Wholesale and Retail Trade reports that have been filtered to include only companies with a positive operating margin ("Filtered CANSIM Reports"), such as those provided in the attached Appendices A and B, are appropriate for use as the basis for the Canadian component of the return margin recommendation for the Depots. Please explain the basis for your opinion.
- (b) Please provide your opinion on whether Filtered CANSIM Reports should be used in place of the CANSIM reports cited in the Concentric Report. Please explain the basis for your opinion.
- (c) If your opinion is that Filtered CANSIM Reports should be used in place of the CANSIM reports cited in the Concentric Report, then please calculate and explain any impacts to the Phase 1 and 2 reports using the Filtered CANSIM Reports.

## Response:

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Concentric provided the following response:

- a) – c) Concentric reviewed the attached Appendices A and B and confirmed that they appear to filter to include only companies with a positive operating margin. However, Concentric believes that the Filtered CANSIM data is not a suitable replacement for the unfiltered CANSIM data, because the provided report cannot be further screened for industries with similar turnover ratios, which is a critical aspect of the U.S. industry analysis which allows Concentric to screen for those companies with a risk profile similar to the Alberta Depots (i.e., a limited asset base on which to earn a return).

In Concentric's view, it is important to also consider Canadian return margin data in developing our recommendation for the Alberta Depots. Ideally, the same data would be available for Canadian companies as for the U.S. companies, in which case Concentric would perform the same analysis for both countries. In the absence of this company-specific Canadian data, Concentric undertook an analysis consistent with the methodology used in past reports, in which generic, economy-wide measures of retail and wholesale return margins in Canada were used. Changing the methodology to only exclude unprofitable companies, without simultaneously screening for like industries (i.e., those with turnover ratios between 2.0 and 9.0), does not ensure that the resulting return margin is more applicable to the Alberta depots. Concentric believes that both steps would have to be taken for a change to the Canadian return margin methodology to be considered.

In addition, there is the question of who would pay the cost to obtain the Filtered CANSIM data, should the BCMB decide that it wants to use that data source instead of the publicly-available data that Concentric (and Pacific Economics Group before us) has traditionally relied upon.

**Information Request Response**

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-3

**Requesting Party:** ABDA

**Subject:** Return Margin - Depot Industry Information

**Date:** 2025.11.27

## References:

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N/A

## Preamble:

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N/A

## Request:

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Please provide the following information on an aggregate depot system basis:

- (a) Total Assets, including and shown separately:
  - i. Current Assets; and
  - ii. Long Term Assets.
- (b) Total Liabilities, including and shown separately:
  - i. Current Liabilities; and
  - ii. Non-Current Liabilities.
- (c) Book Value of Long Term Debt.
- (d) Book Value of Equity.
- (e) Any other Balance Sheet components not listed above.
- (f) EBITDA for each of the years 2020, 2021, 2022, 2023, and 2024.

- (g) Net income for each of the years 2020, 2021, 2022, 2023, and 2024.
- (h) Revenue for 2024.
- (i) Average number of full-time employees for 2024.

## Response:

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a) – g) The requested balance sheet and historical data would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

“2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.

2.24 A request for information in accordance with rule 2.22 or 2.23:

2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the Participant and which is relevant to the matters in issue in the Handling Commission Review”

- h) Please refer to Phase I Schedule 1 for 2024 revenues in the As Accepted, As Adjusted, Total System, and Target Year.
- i) UCA data does not classify employees as full-time or part-time. Phase I Report Table 16 notes that 2,543,015 hours of total labour were performed in the Study System. At 2,080 hours per year, this equates to approximately 1,223 full-time equivalent employees (FTEs).

**Information Request Response**

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-4
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Return Margin - Exclusion of Unprofitable Canadian Companies
<b>Date:</b>	2025.11.27

**References:**

- 2025.06.02.Return.Margin.Expert.Final.Report.Concentric (Doc 24) (the "Concentric Report")
- 2019.06.04.Return.Margin.Final.Report.Concentric (the "2019 Concentric Report")

**Preamble:**

In the 2019 Concentric Report at page 24, Table 14, Concentric provided a calculation of the actual earned return margin for Alberta's Depots in 2017 and observed that the Depots had not earn their allowed return. A similar calculation has not been provided with the HCR2025 Concentric Report (Doc 24).

**Request:**

- (a) Please provide a calculation of the actual earned pre-tax return margin for the Alberta depot system using the most recent financial information available (e.g., fiscal 2024).
- (b) Please explain how this actual earned return margin compares with that recommended by Concentric in the Concentric Report (5.93%).

## Response:

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Concentric provided the following response.

- a) In 2024, the Alberta depot system reported a total pre-tax earned return margin of 2.42%. From 2018 through 2024 inclusive, the average pre-tax earned return margin was 3.30%, with a high of 6.08% (2023) and a low of 0.91% (2022). Please see the table below as well as "Attachment 1 - Depot Earned Margin Summaries 2018-2024.xlsx".

Year	Pre-Tax Earned Return Margin
2018	3.22%
2019	2.49%
2020	5.08%
2021	2.87%
2022	0.91%
2023	6.08%
2024	2.42%
<b>2018-2024 Average</b>	<b>3.30%</b>

- b) The average pre-tax earned return margin of 3.30% over the past seven years is below the recommended authorized pre-tax return margin of 5.93% in Concentric's report.
- c) Concentric has not examined the cause for the Depots not earning their allowed returns in most years since 2018 and therefore cannot draw any conclusions regarding the reasons for that under-earning. We note that a regulatory allowed return affords a regulated entity the opportunity to, but not a guarantee that it will, earn its allowed return.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-5

**Requesting Party:** ABDA

**Subject:** Miscellaneous Revenues - Carbon Rebates

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2024.11.20.Handling.Commission.Bylaw.BOARD.APPROVED.rates.May1,\_2025 ("Handling Commission Bylaw")

## Preamble:

The Phase I Report at page 20 states:

As there are no COVID subsidy programs in place currently or announced to be in place in 2026, COVID subsidy revenues were removed from the other revenue category.

The DCA's removal of COVID subsidy revenues is consistent with the Handling Commission By-Law section 8.1:

To the extent possible and practicable, Handling Commissions are to be adjusted to reflect the forecast costs and return volumes anticipated during the period the Handling Commissions are to be in effect.

The purpose of the 2025-26 Handling Commission Review is to set Handling Commissions (HCs) that will be in effect for the period of May 1, 2026 – April 2027. To be consistent with Bylaw 8.1, it is important that these HCs are based on what can reasonably be anticipated to occur during the period HCs will be in effect and not on historical records that are foreseeably unlikely to be repeated.

On pages 21 and 22 of the Phase I Report, it is stated that eleven depots reported Miscellaneous Revenues in the form of Grants totaling \$74,898 (As-Reported). Included in these Grants were Carbon Rebates. The specific amounts reported by depots for the Grants was not stated in the Phase I Report.

**Carbon Rebates:** The Canada Carbon Rebate for Small Businesses<sup>1</sup> was a refundable tax credit established in Budget 2024 that has returned a portion of the federal fuel charge from 2019-20 through 2023-24 to eligible small and medium sized businesses. In the case of Alberta, the rebate applied to the period of 2020-21 through 2023-24 due to the federal fuel charge only coming into effect January 1, 2020. Companies did not need to apply for this rebate. If eligible, payment would be issued automatically by the federal government.

<sup>1</sup> [https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-](https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax/)

The rebate was based on a set amount per employee, as indicated by the following tables published by the Canadian Department of Finance:<sup>2</sup>

Table 2

**Specified Payment Rates Per Employee for the Canada Carbon Rebate for Small Businesses, 2019-20 to 2023-24**

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Alberta*</b>	n/a	\$147	\$123	\$140	\$181
<b>Saskatchewan</b>	\$110	\$271	\$244	\$298	\$233
<b>Manitoba</b>	\$48	\$99	\$77	\$89	\$168
<b>Ontario</b>	\$26	\$68	\$75	\$86	\$146
<b>New Brunswick*</b>	n/a	n/a	n/a	n/a	\$87
<b>Nova Scotia*</b>	n/a	n/a	n/a	n/a	\$119
<b>Prince Edward Island*</b>	n/a	n/a	n/a	n/a	\$82
<b>Newfoundland and Labrador*</b>	n/a	n/a	n/a	n/a	\$179

\* As the federal fuel charge only came into effect as of January 1, 2020 in Alberta, and as of July 1, 2023 in New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, small businesses in these provinces will receive payments for proceeds collected after those respective dates.

The price on pollution is revenue neutral for the federal government; all proceeds are returned in the jurisdiction where they were collected. Payment amounts vary between jurisdictions due to differences in the amount of fuel charge proceeds collected in that province and the number of employees that eligible corporations that will receive payments had in that province. Additionally, as indicated in Table 2, Atlantic provinces are receiving one year of payment, as the federal fuel charge only began applying there in the 2023-24 fuel charge year.

Table 3

**Example Payment Amounts for Businesses, by Number of Employees from 2019 to 2023**

	10 employees	25 employees	50 employees	100 employees	499 employees
<b>Alberta*</b>	\$5,910	\$14,775	\$29,550	\$59,100	\$294,909
<b>Saskatchewan</b>	\$11,560	\$28,900	\$57,800	\$115,600	\$576,844
<b>Manitoba</b>	\$4,810	\$12,025	\$24,050	\$48,100	\$240,019
<b>Ontario</b>	\$4,010	\$10,025	\$20,050	\$40,100	\$200,099
<b>New Brunswick*</b>	\$870	\$2,175	\$4,350	\$8,700	\$43,413
<b>Nova Scotia*</b>	\$1,190	\$2,975	\$5,950	\$11,900	\$59,381
<b>Prince Edward Island*</b>	\$820	\$2,050	\$4,100	\$8,200	\$40,918
<b>Newfoundland and Labrador*</b>	\$1,790	\$4,475	\$8,950	\$17,900	\$89,321

\* As the federal fuel charge only came into effect as of January 1, 2020 in Alberta, and as of July 1, 2023 in New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, small businesses in these provinces will receive payments for proceeds assessed after those respective dates.

On March 15, 2025, the federal government discontinued the federal fuel charge, thereby ceasing the year will be returned to eligible companies in a manner similar to the payment made previously for the 2019-2020 through 2023-2024 period.

With the shuttering of the Carbon Rebate program on March 15, 2025, it is reasonable to anticipate that this program will not be available to provide Miscellaneous Revenues to depots during the time (HCs) will be in effect between May 1, 2026 – April 30, 2027:

- The program will have been shuttered more than a year prior to the implementation of the HCs.
- All, or a substantial portion, of rebates made for the 2024-2025 fuel charge year will have been returned to eligible depots prior to May 1, 2026.
- As the payment made for the 2024-2025 fuel charge year will be only for one year, it is reasonable to conclude that this payment will be substantially smaller than the quantum of the single payment made for the four years of 2020-21 to 2023- 24.

## Request:

- (a) Please provide the quantum of the Carbon Rebates grants reported by the depots.
- (b) Please advise whether it is reasonable to anticipate that depots will receive zero, or only a minor portion of, residual Carbon Rebate payments during the period when HCs will be in effect between May 1, 2026 to April 30, 2027.
- (c) Please confirm whether the quantum of Carbon Rebates included in As-Adjusted Miscellaneous Revenues in the Phase I Report should be removed. If such a removal is appropriate, please provide a corresponding update to the Revenue Requirement. If not confirmed and not removed, please explain why.

## Response:

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- a) 17 depots reported a total of \$103,395 in Carbon Rebates. Upon further investigation, these amounts were split among three Miscellaneous Revenue categories as follows:
  - 7 depots reported a total of \$37,131 as grants
  - 4 depots reported a total of \$21,325 as 'other'
  - 6 depots reported a total of \$44,939 as COVID subsidies
- b) The DCA agrees it is reasonable to anticipate depots will receive zero Carbon Rebate payments (or close) during the Target Year.
- c) Confirmed. This treatment is logically consistent with the treatment of COVID subsidies. As such, the DCA has removed Carbon Rebate revenues reported as Grants and Other from the As Adjusted system. Note that as COVID subsidies are already removed from the As Adjusted system, the DCA did not make changes associated with the 6 depots who reported \$44,939 as COVID subsidies.  
The result of removing Carbon Rebate revenues from grants and 'other revenue' was a decrease to the Target Year miscellaneous revenues and an increase to the Revenue Requirement of \$59,003.

**Information Request Response**

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-6
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Return Margin - Exclusion of Unprofitable Canadian Companies
<b>Date:</b>	2025.11.27

## References:

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- 2024.11.20.Handling.Commission.Bylaw.BOARD.APPROVED.rates.May1,\_2025 ("Handling Commission Bylaw")

## Preamble:

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Handling Commission By-Law section 8.1 states:

To the extent possible and practicable, Handling Commissions are to be adjusted to reflect the forecast costs and return volumes anticipated during the period the Handling Commissions are to be in effect.

On pages 21 and 22 of the Phase I Report, it is stated that eleven depots reported Miscellaneous Revenues in the form of Grants totaling \$74,898 (As-Reported). Included in these Grants were funding from the Canada Digital Adoption Program ("CDAP"). The specific amounts reported by depots for Grants was not stated in the Phase I Report.

Canada Digital Adoption Program: The Canada Digital Adoption Program (CDAP) offered two online streams to help small and medium-sized businesses. Grow Your Business Online provided a micro-grant of up to \$2,400 to adopt e-commerce, and Boost Your Business Technology offered a grant of up to \$15,000 to develop a digital plan for more complex technology adoption. Grow Your Business Online stopped taking applications on September 30th, 2024<sup>1</sup> and Boost Your Business Technology discontinued intake of applications November 30th, 2024. With the shuttering of these programs in 2024, it is reasonable to anticipate that funding from these programs will not be available to provide Miscellaneous Revenues to Depots during the time (HCs) will be in effect between May 1, 2026 – April 30, 2027:

- These programs will have been shuttered for some 18 months prior to the implementation of the HC.
- The issuance of any grant monies from these programs will have been completed prior to the implementation of the new HC on May 1, 2026.

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<sup>1</sup> <https://cdaprogram.ca/grow-your-business-online/>

## Request:

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- (a) Please advise whether it is reasonable to anticipate that depots will not receive any payments from these CDAP programs during the period when HCs will be in effect between May 1, 2026 to April 30, 2027.
- (b) Please confirm whether the quantum of CDAP grants included in As-Adjusted Miscellaneous Revenues in the Phase I Report should be removed. If such a removal is appropriate, please provide a corresponding update to the Revenue Requirement. If not confirmed and not removed, please explain why.

## Response:

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- a) The DCA agrees it is reasonable to anticipate that depots will not receive any payments from these CDAP programs during the period when HCs will be in effect between May 1, 2026 to April 30, 2027.
- b) Confirmed. One depot reported one CDAP grant for \$15,000. This has been removed from the As Adjusted system and resulted in a Revenue Requirement increase of \$18,264.

## Information Request Response

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-7
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Return Margin - Exclusion of Unprofitable Canadian Companies
<b>Date:</b>	2025.11.27

## References:

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- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2024.11.20.Handling.Commission.Bylaw.BOARD.APPROVED.rates.May1,\_2025 ("Handling Commission Bylaw")

## Preamble:

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Handling Commission By-Law section 8.1 states:

To the extent possible and practicable, Handling Commissions are to be adjusted to reflect the forecast costs and return volumes anticipated during the period the Handling Commissions are to be in effect.

Value-added fees (VAFs) are payments by ABCRC to those depots participating in the compaction of empty containers. Schedule 9 of the Phase I Report (page 78) shows that multiple depots reported As-Accepted VAFs, with revenues reported by depots in each of the Small, Medium and Large categories totaling \$208,196. Schedule 9 also shows that no changes were made to these VAFs in the subsequent As Adjusted stage with the total As Adjusted VAFs remaining at \$208,196.

ABDA understands that, after May 1, 2026, no more than two depots will still be engaged in compaction and receiving VAFs, and that the total of the VAFs reported by these two depots on their 2024 UCAs is less than \$90,000.

## Request:

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- (a) Please confirm the number of depots that are expected to still be engaged in compaction and receiving VAF payments after May 1, 2026. Please also confirm the quantum of As Accepted VAFs reported by these depots on their 2024 UCAs.
- (b) Please confirm whether the quantum of VAFs to include in the As Adjusted VAFs should be revised to reflect only the As Accepted VAFs of those depots who are expected to still be engaged in compaction and receiving VAF payments after May 1, 2026. If such a revision is appropriate, please provide a corresponding update to the Revenue Requirement. If not confirmed and not adjusted, please explain why.

## Response:

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- a) The DCA has confirmed that only one depot is expected to still be engaged in compaction and receiving VAF payments after May 1, 2026. This depot received a total of \$31,680 in VAFs in FY2024.
- b) Confirmed. The DCA has made this change in the As Adjusted system, resulting in a Target Year miscellaneous revenues decrease and Revenue Requirement increase of \$216,680.

**Information Request Response**

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-8

**Requesting Party:** ABDA

**Subject:** Miscellaneous Revenues - Insurance Proceeds

**Date:** 2025.11.27

## References:

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- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

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Insurance proceeds for damage done to depot facilities, in the amount of \$102,426, are included in As Adjusted Miscellaneous Revenues (Phase I Report at page 21, Table 15).

The expenses/repairs arising from the damage to the depot facilities are included in the UCA Costs. The Phase I Report at page 22 states:

Insurance proceeds: Two depots received insurance payments for damage done to their facility, for which the expenses/repairs are included in the UCA costs.

However, these costs, along with other Building-related costs, are removed and replaced with market-based deemed building lease and use rates (as part of determining the As Adjusted Building costs). The Phase I Report states, at page 36 in the section dealing with building costs:

... costs reported by depots are replaced in accordance with BCMB's Depot Building Deemed Lease Rate Policy...

## Request:

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- Please confirm whether the As Reported building expense/repairs included in the UCA costs have been removed from the As Adjusted Building costs (through the application of the BCMB's Depot Building Deemed Lease Rate Policy, or by any other means).
  - If not confirmed, please explain why.
  - If not confirmed, please advise where and how these As Reported building expense/repairs have been retained in the As Adjusted system beyond the deemed costs.
- If confirmed, please explain whether or not the insurance proceeds included in As- Adjusted Miscellaneous Revenues should be removed. If such removal is appropriate, please provide a corresponding update to the Revenue Requirement. If not appropriate and not removed, please explain why.

## Response:

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- a) Confirmed.
- b) The DCA agrees insurance proceeds should be removed from As Adjusted miscellaneous revenues. It is not reasonable to project insurance-covered events and corresponding insurance proceeds going forward. These insurance proceeds have been removed from the As Adjusted system, resulting in a \$114,560 increase to the Revenue Requirement.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-9

**Requesting Party:** ABDA

**Subject:** Miscellaneous Revenues - Projecting Insurance Proceeds

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

The Phase I Report provides no assessment of the frequency of insurance claims reported by Depots, nor a forecast of future claims. Prior Phase I Reports and Annual Update Reports (AUR) dating back to at least HCR 2019, provide only two cases of insurance payments being reported by Depots (in HCR 2019 and AUR 2020).

## Request:

- Please confirm whether depots are expected to receive any insurance payments during the period when Handing Commissions will be in effect from May 1, 2026 to April 30, 2027.
  - If confirmed, then please explain why.
  - If confirmed, then please explain how the expected insurance payments were forecasted.
    - Please provide the complete forecasting analysis, including:
      - The data used for generating the forecast for event frequency, such as historical averages.
      - The calculations and resulting quantums for insurance payments, deductibles, and associated costs; and
      - What insurance policies were considered for inclusion. Please comment on whether depot insurance policies were reviewed, the conclusions from

any reviews, and any relevant research.

- iii. If not confirmed, please explain whether the insurance proceeds included in As- Adjusted Miscellaneous Revenues should be removed. If such removal is appropriate, please provide a corresponding update to the Revenue Requirement. If not appropriate and not removed, please explain why.
- b) Please confirm whether insurance deductibles were included in the DCA's analysis and calculation of the Target System. If not, why not?

## **Response:**

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- a) Not confirmed. See response to ABDA-DCA-8.
- b) Insurance deductibles are not reported on specifically and therefore are not assessed specifically.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-10

**Requesting Party:** ABDA

**Subject:** Miscellaneous Revenues - Earthwares

**Date:** 2025.11.27

## References:

- 2025.10.03.2024.UCA.Instruction.Manual.DCA (Doc 28)(the "UCA Instruction Manual")
- 2025.10.03.2024.UCA.Template.DCA (Doc 29) (the "UCA Template")

## Preamble:

The UCA Instruction Manual, at page 27, states: "Line 803.04 – Enter any cardboard recycling fees." However, the UCA Template at Table 8 has Line 803.04 designated for "Earthwares".

The Earthware program closed October 21, 2024.5

## Request:

- (a) Please provide the total amount of Earthware payments included in As Reported Miscellaneous Revenues and As-Adjusted Miscellaneous Revenues.
- (b) Please confirm whether the DCA expects depots to receive any Earthware payments during the period when HCs will be in effect, between May 1, 2026 to April 30, 2027. If so, please explain why.
- (c) If there are any Earthware payments included as As-Adjusted Miscellaneous Revenues in the Phase I Report, please confirm whether the Earthware payments should be removed. If such a removal is appropriate, please provide a corresponding update to the Revenue Requirement. If not confirmed and not removed, please explain why.

## Response:

- a) One depot reported a total of \$233 of Earthware payments included as miscellaneous revenues.
- b) Given the ABDA has provided information that the Earthware program closed October 21, 2024, the DCA does not expect depots to receive any Earthware payments during the period when HCs will be in effect.
- c) The DCA has removed Earthware revenues from miscellaneous revenues. This has resulted in a Target Year Revenue Requirement decrease of \$264.

## Information Request Response

In Response to HCR Document #: 38.2025.11.27.DCA.Information.Request.ABDA

Information Request #: ABDA-DCA-11

Requesting Party: ABDA

Subject: POR Fees

Date: 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")

## Preamble:

The Phase I Report at Schedule 8 shows As Adjusted POR (point of return) fees of \$119,598. This is significantly less than the amount received by the ABDA for POR fees in calendar 2024, which was \$356,566.

The ABDA receives POR fees from depots that use the rePOR and Solum systems. The maximum POR fees for rePOR and Solum were increased as of January 1 2024 (the "POR Fee Cap Increase").

Depots using other point of return systems, such as neoSMART, pay POR Fees for which amounts are not known or tracked by the ABDA.

The ABDA expected that the As Adjusted and Total System POR fees included in the Phase I Report would exceed the \$356,566 received by the ABDA. Instead, as shown in the following table, the Total System POR Fees included in the Phase I Report are short by at least

\$228,831, and likely more if non-ABDA-related POR Fees are included.

POR Fees	As Adjusted	Total System
ABDA*		356,566
Phase I**	119,598	127,735
<b>Minimum Shortfall</b>	-	<b>228,831</b>

\*ABDA records only include rePOR and Solum amounts.

\*\*Phase I Total System amount is based on the As Adjusted amount multiplied by the average Overhead escalation to the total system.

## Request:

- Please review the quantum of POR Fees included in the Revenue Requirement and confirm whether this quantum should be adjusted. If such an adjustment is appropriate, please do so and update the Revenue Requirement accordingly. If not confirmed and not adjusted, please explain why.

b) Please confirm whether the escalation from the Total System to the Target System accounts for the POR Fee Cap Increase, including for depots reporting results with months in 2023. If not, please explain why not.

## Response:

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- a) Confirmed, this amount of POR fees should be adjusted. The DCA has made this adjustment. It has resulted in an As Adjusted POR fee cost increase of \$283,026 to \$402,624 and a Target Year Revenue Requirement increase of \$321,470. Note that in the original Phase I report, POR fees were calculated using the data depots had reported on their UCAs, which was often \$0. This has been updated to reflect rePOR and Solum amounts plus any additional POR fees reported by Depots.
- b) The DCA's most current records call for POR fees to be calculated at 0.024 cents per container up to an annual cap of \$3,600. This calculation has been applied. If the POR fee calculation or cap differ from this, the DCA can apply the current formula to its Revenue Requirement calculation.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-12

**Requesting Party:** ABDA

**Subject:** Labour - Benefits

**Date:** 2025.11.27

## References:

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- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")
- 2018.11.07.Depot.Manager.Cost.Determination.Policy.BOARD.APPROVED. ("Depot Manager Cost Determination Policy")

## Preamble:

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The Phase I Report Table 22 (page 28) shows As Adjusted Direct Labour Benefits of \$5,286,660 but Table 21 (page 27) indicates these As Adjusted Direct Labour Benefits to be \$3,985,919 – a difference of \$1,300,741. Schedule 2 in the Phase I Report (page 75) shows As Accepted Direct Labour Benefits of \$5,224,947 and As Adjusted Benefits of \$3,985,919.

It is unclear what As Accepted and As Adjusted Direct Labour Benefits were applied to the Study System. Further, if the lower number of \$3,985,919 was used for the As Adjusted Direct Labour benefits, then the treatment of the \$1,300,741 is unclear.

The Depot Manager Cost Determination Policy notes in Part 2:

Proper allocation and determination of costs by the DCA for Depot Managers is needed to ensure that the Revenue Requirement determined for any HC review process includes appropriate labour costs for Permit Holders for operating their Depot businesses (e.g. wages, salaries, benefits) ...

The Phase I Report presents and discusses data on Benefits for Direct Labour. However, there is no data or discussion regarding Benefits associated with Overhead Labour (e.g., depot Managers). The employers of salaried (T4) workers (including staff working in Overhead/Manager roles) are required to contribute to government mandated programs such as EI, CPP, and WCB. Depot staff may also participate in health care plans that can be paid in part or in whole by their employer. There is also no component of Benefits associated with Collector Labour costs identified.

## Request:

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a) If the lower number of \$3,985,919 (Table 22) was used for the As Adjusted Direct Labour Benefits in the Study System, please explain what happened to the \$1,300,741 difference from the \$5,286,660 As Adjusted Direct Labour Benefits shown in Table 21. If an adjustment is appropriate, please do so and update the Revenue Requirement accordingly.

Please confirm whether the cost of Benefits associated with Overhead Labour has been included in the Revenue Requirement.

- I. If included, please revise Schedule 4 to match the layout used in Schedule 2 (i.e., please explicitly show the Benefits component of Overhead Labour) and update the Phase I Report accordingly.
- II. If not included, please confirm whether an adjustment for such a cost should be made, giving regard to the BCMB's Depot Manager Cost Determination Policy.
  - i. If it is confirmed that an adjustment for Overhead Labour Benefits should be made, please do so and revise the Revenue Requirement accordingly. Please also revise Schedule 4 to match the layout used in Schedule 2 (i.e., please explicitly show the benefits component of Overhead Labour).
  - ii. If not confirmed, please explain why not.

## Response:

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a) Benefits are reported by depots across several categories, some of which are attributed to labour types (i.e., direct labour, collector labour, or overhead labour), while others are not. Taxable benefits and "other amounts paid to contractors" are reported by labour type. Non-taxable benefits (e.g., health care), employer paid portions of EI and CPP, workers compensation, and "other labour" are not reported by labour type. In the Revenue Requirement calculation, all labour costs, including salaries, wages, and benefits, are allocated to labour types. Other labour amounts are assumed to be direct labour, and the other benefits that are not reported by labour type originally are allocated to either direct labour or overhead labour in As Adjusted data, proportionally according to other labour costs (i.e., salaries and wages). For simplicity, in the As Accepted system, those benefit amounts have been reported as direct labour costs.

For additional transparency, the following tables summarize labour benefit amounts by benefits category in each of the As Reported, As Accepted, and As Adjusted systems.

**As Reported**

Benefits Category	Direct Labour	Collector Labour	Overhead Labour	Total
Taxable Benefits	\$ 267,258	\$ 8,595	\$ 100,485	\$ 376,338
Non-Taxable Benefits (e.g., Health Care)	Reported in aggregate only		\$ 744,328	
Employer Portion of EI & CPP	Reported in aggregate only		\$ 3,041,532	
Workers Compensation	Reported in aggregate only		\$ 1,019,722	
Other Labour	Reported in aggregate only		\$ 279,318	
Other Amounts Paid to Contractors	\$ 3,803	\$ 2,101	\$ 510,148	\$ 516,052
<b>Total</b>	<b>\$ 271,062</b>	<b>\$ 10,696</b>	<b>\$ 610,633</b>	<b>\$ 5,977,291</b>

**As Accepted**

Benefits Category	Direct Labour	Collector Labour	Overhead Labour	Total
Taxable Benefits	\$ 271,216	\$ 8,448	\$ 96,675	\$ 376,338
Non-Taxable Benefits (e.g., Health Care)	Reported in aggregate only		\$ 744,328	
Employer Portion of EI & CPP	Reported in aggregate only		\$ 3,053,846	
Workers Compensation	Reported in aggregate only		\$ 1,023,166	
Other Labour	Reported in aggregate only		\$ 174,216	
Other Amounts Paid to Contractors	\$ 3,803	\$ 2,101	\$ 22,147	\$ 28,052
<b>Total</b>	<b>\$ 275,019</b>	<b>\$ 10,549</b>	<b>\$ 118,822</b>	<b>\$ 5,399,946</b>

**As Adjusted**

Benefits Category	Direct Labour	Collector Labour	Overhead Labour	Total
Taxable Benefits	\$ 271,417	\$ 8,448	\$ 96,675	\$ 376,540
Non-Taxable Benefits (e.g., Health Care)	Reported in aggregate only		\$ 767,645	
Employer Portion of EI & CPP	Reported in aggregate only		\$ 3,083,650	
Workers Compensation	Reported in aggregate only		\$ 1,031,557	
Other Labour	Reported in aggregate only		\$ 174,216	
Other Amounts Paid to Contractors	\$ 3,803	\$ 2,101	\$ 22,147	\$ 28,052
<b>Total</b>	<b>\$ 275,221</b>	<b>\$ 10,549</b>	<b>\$ 118,822</b>	<b>\$ 5,461,659</b>

**As Adjusted Post-Allocation**

Benefits Category	Direct Labour	Collector Labour	Overhead Labour	Total
Taxable Benefits	\$ 271,417	\$ 8,448	\$ 96,675	\$ 376,540
Non-Taxable Benefits (e.g., Health Care)	\$ 561,832	\$ 0	\$ 205,813	\$ 767,645
Employer Portion of EI & CPP	\$ 2,256,894	\$ 0	\$ 826,756	\$ 3,083,650
Workers Compensation	\$ 754,987	\$ 0	\$ 276,570	\$ 1,031,557
Other Labour	\$ 174,216	\$ 0	\$ 0	\$ 174,216
Other Amounts Paid to Contractors	\$ 3,803	\$ 2,101	\$ 22,147	\$ 28,052
<b>Total</b>	<b>\$ 4,023,150</b>	<b>\$ 10,549</b>	<b>\$ 1,427,961</b>	<b>\$ 5,461,659</b>

b) As all labour benefit costs are already captured in the Revenue Requirement calculation, no further adjustments are required. Phase I Schedule 4 has been updated to match the format of Schedule 2, as requested.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-13

**Requesting Party:** ABDA

**Subject:** Labour - Hours Worked

**Date:** 2025.11.27

## References:

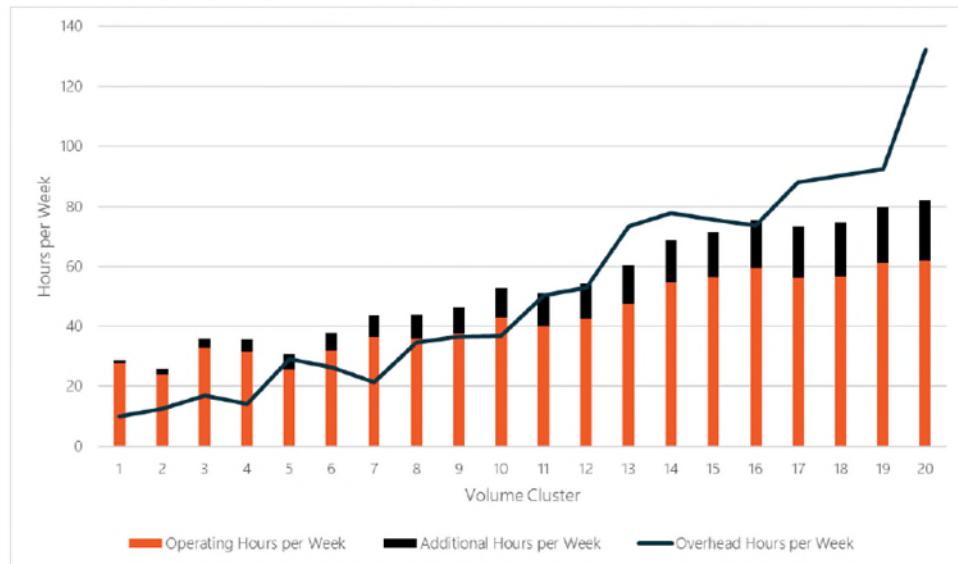
- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")

## Preamble:

Depots Reporting No Direct Labour: The Phase I Report Table 23 on page 28 appears to indicate that at least two of the small depots in the Study System did not report Direct Labour costs or hours.<sup>6</sup> Figure 8 on page 29 suggests at least two depots with \$0 As Adjusted Direct Labour costs.

Total Labour Hours Compared to Depot Hours: Figure 13 of the Phase I Report (below) shows Overhead Hours per week compared to depot hours (Operating + Additional) per week. Overhead Hours in each of the Clusters 1-10 are less than the respective depot hours. No such comparison is available for total Labour hours (Overhead + Direct Labour).

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



## Request:

a) Please confirm whether any depots reported zero Direct Labour hours.

- i. If confirmed, please indicate how many depots reported zero Direct Labour hours.
- ii. If confirmed, please explain the circumstances for which it would be reasonable for a depot to report zero Direct Labour hours.
- iii. If confirmed, please explain whether or not it was reasonable for these particular depots to have zero Direct Labour hours.
  1. If not reasonable, please explain whether an adjustment to these depots' Direct Labour hours was made or is appropriate. If an adjustment is appropriate, please do so and update the Revenue Requirement accordingly.

b) Please confirm whether there were any depots which had fewer Total Labour hours (Overhead + Direct) than the depot's hours (Operating Hours + Additional Hours).

- i. If confirmed, please indicate how many depots reported Total Labour hours (Overhead + Direct) fewer than the depot's hours (Operating Hours + Additional Hours).
- ii. If confirmed, please explain the circumstances for which it would be reasonable for a depot to report Total Labour hours (Overhead + Direct) fewer than the depot's hours (Operating Hours + Additional Hours).
- iii. If confirmed, please advise whether any adjustments were made to account for a depot's Total Labour hours (Overhead + Direct) being fewer than the depot's hours (Operating Hours + Additional Hours).
  1. If yes, then what adjustments were made?
  2. If no, then why not? If an adjustment is appropriate, please do so and update the Revenue Requirement accordingly.

## Response:

---

a) Confirmed. Many depots report zero direct labour hours initially, typically when owners contribute all labour hours to a depot. Through correspondence with depots, the DCA adjusts the hours distribution breakdown by activity.

Upon review of this information request, the DCA found two depots whose owner hours had all been allocated to overhead labour and had not been redistributed by activity. The DCA has

redistributed these hours and costs. The result is a \$2,828 decrease to the Revenue Requirement.

- b) Nine depots reported fewer total labour hours than the depot's reported hours. The DCA accepts depots' reported labour hours through correspondence with the depots and does not add additional unreported labour hours and costs to the system, and therefore no new adjustments to the Revenue Requirement have been made.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-14

**Requesting Party:** ABDA

**Subject:** Labour - Hours Worked - Non-Depot Operation Activities

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")

## Preamble:

The Phase I Report notes on page 23 that:

"We amended 36 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". [emphasis added]

## Request:

- a) Regarding hours that were amended for non-Depot operation activities, please explain how such hours were identified.
- b) Please confirm whether adjustments were made to the Miscellaneous Revenues to remove any revenues earned by Depots corresponding to non-Depot operation activities.
  - i. If confirmed, please advise as to the quantum of any such adjustments, and explain the basis for any such adjustments.
  - ii. If not confirmed, please explain why any such corresponding Miscellaneous Revenues should or should not be removed. If an adjustment is appropriate, please do so and update the Revenue Requirement accordingly.
  - iii. If not confirmed and not adjusted, please explain why.

## Response:

---

- a) During the review of UCA submissions, in instances where a depot has reported an individual having worked an unusually high number of hours, the DCA contacts the depot for additional context and/or confirmation of the hours. In some of those instances, the depot will update the number of hours worked to correct clerical errors or to make sure the hours are accurately assigned to depot activities. In some multiple businesses, depots may initially (incorrectly) report an employees total hours worked across all its operations rather than specifying only those for the bottle depot. In those cases, the DCA works with the depots to remove hours for non-depot operation activities directly in Tables 2 through 4, or using the multi-business function on Table 10 as appropriate.
- b) In cases where depot employee hours were adjusted because of non-depot operation activities, the DCA reviewed reported Miscellaneous Revenues to confirm whether any corresponding adjustments should be made using Table 10. These adjustments were made through conversations with Depots to ensure alignment between depot operating activity costs and revenues in the As Accepted data. The quantum of adjustments for this specific reason is not tracked separately.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-15

**Requesting Party:** ABDA

**Subject:** Labour - Decreases made to Wage Rates

**Date:** 2025.11.27

## References:

- 2025.10.03.2024.UCA.Instruction.Manual.DCA (Doc 28) ("UCA Instruction Manual")
- 2025.10.03.2024.UCA.Template.DCA (Doc 29) ("UCA Template")
- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

The Phase I Report at pages 22-23 states:

Change in Manager Wages: ... we reduced wages at the remaining 48 Depots for a total of \$2.9 million.

...

... 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. ...

The UCA instruction Manual and the UCA Template ask depots to indicate whether employees were Related or Unrelated Employees to the depot owner (UCA Instruction Manual at page 16, column i; UCA Template at Table 3, column i) and whether wages were a result of tax planning or profit sharing ((UCA Instruction Manual at page 16, column j; UCA Template at Table 3, column j)).

The Phase I Report at page 35 states that managers at for-profit Depots are underpaid in comparison to the compensation paid to managers working at arm's length for not-for-profit Depots:

## Request:

- a) For the depots where wages were decreased due to profit sharing or tax planning, please confirm whether wages were decreased to a maximum wage rate(s) (a "Wage Cap").
  - i) If confirmed, please explain how a Wage Cap was determined for each labour category (DL, OH, COL) and for Related and Unrelated employees.
  - ii) If different Wage Caps were applied (e.g., based on depot size or location, number of depot staff, etc.), what are these Wage Caps and how were they determined.
- b) If confirmed, please also confirm whether not-for-profit labour data was included in the

determination of a Wage Cap.

- i. If confirmed, please confirm whether the inclusion of for-profit labour data was applied differently from not-for-profit labour data. If it was applied differently, then please explain how.
- c) If not confirmed, please advise of the rate(s) to which these wages were decreased, and explain how the rate(s) was determined.
  - i. Were any wages removed entirely? If so, why?
- d) Please confirm whether any Wage Cap was applied to wages for Manager or Direct Labour reported by depots for Related Employees.
  - i. If confirmed, please explain:
    1. What was the Wage Cap applied for Manager and Direct Labour for Related Employees?
    2. Is the Wage Cap correlated with a "fair market rate"? If yes, please explain the basis for determining how the Wage Cap is correlated with a fair market rate.
    3. What Wage Cap was applied when an individual worked hours in more than one labour category (DL, OH, COL)?
- e) Please confirm whether any Wage Cap was applied to wages for Manager or Direct Labour reported by depots for Unrelated Employees.
  - i. If confirmed, please explain:
    1. What was the Wage Cap applied for Manager and Direct Labour for Unrelated Employees?
    2. Is the Wage Cap correlated with a "fair market rate"? If yes, please explain the basis for determining how the Wage Cap is correlated with a fair market rate.
    3. What Wage Cap was applied when an individual worked hours in more than one labour category (DL, OH, COL)?
  - ii. If confirmed, please also confirm whether a Wage Cap was applied only to those wages where a depot reported a wage as being set as a result of tax planning or profit sharing.
    1. If not confirmed, please explain why not.

## Response:

---

- a) – b) No "wage cap" was used when adjusting wages for employees for any reason, including due to tax planning or profit sharing. There are instances when a related employee's wages are unreasonably high or low due to tax planning or profit sharing. In these instances, their wages are adjusted to their job class's system average wage. The system average considers all depots who submit UCAs and includes both for-profit and not-for-profit Depot wages. Related employees that had unreasonably high or low wages due to tax planning or profit sharing were adjusted to the system average wage for their

respective job class (LBH, COL, MGR or OWN) at the end of the year.

c) Rates were adjusted to the following for each job class.

- a. LBH – \$18.63
- b. COL – \$20.67
- c. MGR – \$27.39
- d. OWN – \$27.16

No wages were removed entirely.

d) – f) Please see the response to part a).

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-16

**Requesting Party:** ABDA

**Subject:** Labour - Wages Rates Below Fair Market

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2025.10.03.2024.UCA.Instruction.Manual.DCA (Doc 28) (pages 5, 13) ("UCA Instruction Manual")

## Preamble:

The Phase I Report at page 22 states:

Wage increases were deemed necessary in cases where a manager had a regular hourly rate below the Alberta minimum wage of \$15.00/hour... This includes cases where the Depot reported owners or related employees having worked uncompensated labour hours.

The UCA Instruction Manual on page 5 states:

Also, it is very important for all bottle Depot owners to be assured that the Handling Commission rate-setting exercise is not intended to impact the management of their business, or an owner's ability to engage in tax planning strategies to minimize taxes payable. At the end of this exercise, new cost-based Handling Commissions may be set, and the only impact on bottle Depot business should be in the rates paid for the collection of containers. The DCA does not foresee any material impact on the way each Depot owner operates their business as a result of this exercise, and this process is not intended to restrict management's decision-making process in regard to how best to operate.

The Phase I Report page 18 states:

Depots' revenue reporting approaches have included the following:

.... 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.

These statements indicate that depots deploying tax planning strategies may have lower salaries paid to Owners for different reasons, including because they opt to pay themselves for their labour in the form of dividends instead of wages.

The Phase I Report does not indicate that adjustments to wage rates accommodate for these strategies. For example, the Phase I Report does not state when wage rates for Related Employees (as referenced in the UCA Instruction Manual at page 16, column i) that are otherwise below market rate have been increased, in recognition that a portion of their compensation was received in the form of dividends. It appears that T4

or contract wages are the only type of eligible costs considered for hours worked by Related Employees.

## Request:

---

- a) Please identify the rates to which wages were increased for uncompensated or undercompensated hours for each of the different labour categories (DL, OH, COL).
  - i. Were wage rates increased only to the Alberta minimum wage of \$15.00/hr. or were they increased to some other rate?
    1. If increased to some other rate, please explain how this rate(s) was determined.
  - ii. Were different wage rates used within each labour category (e.g., based on depot characteristics such as size or location, etc.)? If yes, please explain what these wage rates are and how they were determined.
  - iii. Was the approach to adjusting wage rates different for Related Employees vs. Unrelated Employees? If yes, please explain the differences.
- b) Please confirm whether wages were increased for wages below market rate where depots reported wages that were a result of tax planning or profit sharing.
  - i. If confirmed and increases were made, to what rate were they increased to? How was this adjusted rate determined?
  - ii. If not confirmed, please explain why not.
- c) Please provide the total amount of dividends paid out by depots in fiscal 2024.
- d) Please confirm whether there were any depots that paid dividends and that also paid wage rates below the minimum wage or below fair market rate, where it was indicated that such wages were a result of tax planning or profit sharing.
  - i. If confirmed, please explain what adjustments were made to these wages to include these dividend payments? If no adjustments were made, please explain why not.
- e) Please advise whether the payment of dividends impacted decisions regarding decreasing or increasing Manager wage rates. If there was an impact, please explain the impact. If there was no impact, please explain why not.

## Response:

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- a) Rates were adjusted to the below wages for each job class. These rates were determined based on the system average that includes all depots who submitted 2024 UCAs, including both for-profit and not-for-profit Depot wages as described in information request ABDA-DCA-15.
  - a. LBH – \$18.63
  - b. COL – \$20.67
  - c. MGR – \$27.39

- d. OWN – \$27.16
  - (i) Wage rates were adjusted to the system average as described in question ABDA-DCA-15.
  - (ii) Wage rates were adjusted based on the system average for each corresponding job class.
  - (iii) Wage rate were not adjusted for unrelated employees. They were only adjusted for related employees.
- b) Yes, depots that has low wages due to tax planning or profit sharing were adjusted to the system average for their corresponding job class.
  - (i) Please see response to question a)
- c) The DCA does not track the amounts of dividends depots pay. As such, this data is not available.
- d) The DCA does not track the amounts of dividends depots pay. For depots that paid wage rates below the minimum wage or below fair market rate, the DCA adjusted the wages accordingly using the system average.
- e) As the DCA does not track dividends paid by depots, decisions about wage adjustments were not impacted by dividend payments. When wages were unreasonably high or low due to tax planning or profit sharing, which was sometimes reported as dividends, wages were adjusted based on the system average for each employee's corresponding job class.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-17

**Requesting Party:** ABDA

**Subject:** Free Labour

**Date:** 2025.11.27

## References:

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- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

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The Phase I Report at page 22 states:

Wage increases were deemed necessary in cases where a manager had a regular hourly rate below the Alberta minimum wage of \$15.00/hour... This includes cases where the Depot reported owners or related employees having worked uncompensated labour hours.

and at page 33 states:

There were four depots that used free labour for a portion of their manager time, so costs were not increased to account for this.

## Request:

---

- a) Please advise on the context and nature of the free labour hours referenced on page 33 of the Phase I Report (the "Free Labour").
- b) Please explain how Free Labour hours differ from other uncompensated labour hours.

## Response:

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- a) Upon review, this statement was made in error. These four depots had uncompensated owner labour hours that had not been adjusted to the system average wages in the As Accepted system as intended. This has been updated in the As Accepted data, resulting in a Target Year Revenue Requirement increase of \$119,654. This statement will be removed from the revised Phase I Report.
- b) See response to part a).

## Information Request Response

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-18
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Communication with Depots regarding UCA Adjustments
<b>Date:</b>	2025.11.27

## References:

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- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

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The Phase I Report, at page 9, states:

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".

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

It is apparent that for a significant number of depots, the As Reported Data provided on their UCAs which were reviewed and verified by the DCA, were subsequently revised by the DCA in preparation of the As Accepted Data.

## Request:

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When the DCA makes adjustments from the As Reported to As Accepted information subsequent to a UCA filing being accepted on the basis of the data being deemed unreasonable or unrelated to Depot operations, is the depot informed of the decisions or changes? If confirmed, please explain the process by which a depot is informed. If not confirmed, please explain why not.

## Response:

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- a) When the DCA makes adjustments from the As Reported data submitted by depots to As Accepted data, the DCA does not inform the depot of the decisions or changes. Informing the depots of these changes is not part of the DCA's mandate and is not included in existing policy and processes.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-19

**Requesting Party:** ABDA

**Subject:** Indices and Reported Costs

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")

## Preamble:

In the Phase I Report at pages 67-68, when escalating depot system costs to the target year, the DCA appears to be applying Indices rates based on the final quarter of the fiscal year end of depots (the "FY Quarter"), the average of which is Q3 or Q4 (2024) for each Volume Cluster.

## Request:

- Please confirm that the Indices have been applied to depot system costs by escalating such costs forward based on the average of the fiscal year end date for depots in a given volume cluster and not some other quarter of their fiscal year. If not confirmed, please clarify how the Indices were applied to depot system costs.
- Please provide a revised Schedule 11a where the FY Quarter calculation in column (i) is based on the mid-point of each depot fiscal year instead of their fiscal year-end date.
- For the Study System, please populate the following table that lists the number of depots with a Fiscal Year End in each of the 2024 calendar months and the aggregate Container Volumes collected by those depots.

Month	# of depots	% of total depots	Container Volume	% of total Volume
January	#	%	#	%
...				

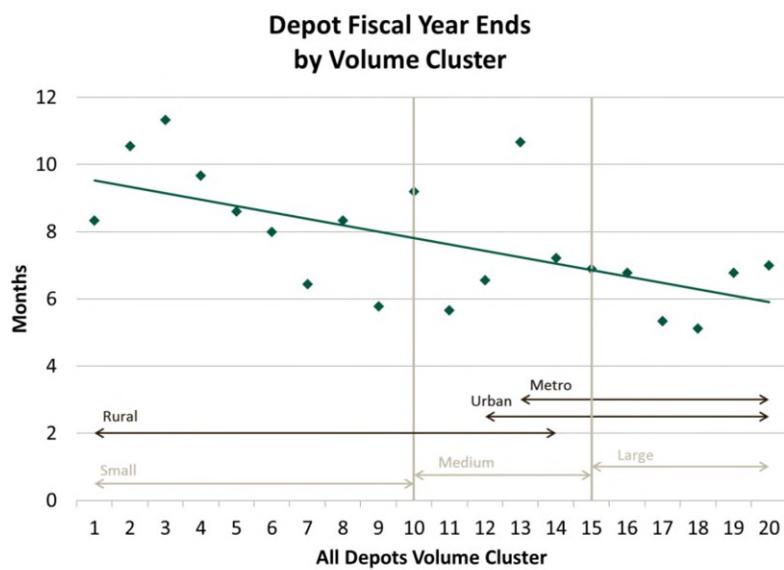
- For the Total System, please populate the following table that lists the number of depots with a Fiscal

Year End in each of the 2024 calendar months and the aggregate Container Volumes collected by those depots.

Month	# of depots	% of total depots	Container Volume	% of total Volume
January	#	%	#	%
...				

e) Please generate a figure showing Depot Fiscal Year Ends by Volume Cluster, such as was provided by the DCA in the Phase I Report for the 2016 HCR process.

1 Figure 7 – Depot Fiscal Year Ends by Volume Cluster (As Reported)



2

3 The y-axis values relate to the fiscal year end month in 2014/15, for example 1 relates to Depots with a January 4 31<sup>st</sup> fiscal year end and 12 relates to Depots with a December 31<sup>st</sup> fiscal year end. There is no distinct pattern of 5 fiscal year end based on location classification with Rural, Urban, and Metro Depots have fiscal year ends 6 throughout the year.

## Response:

- a) Confirmed.
- b) The requested revised schedule would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and would not be used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

"2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.

2.24 request for information in accordance with rule 2.22 or 2.23:

2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the Participant and which is relevant to the matters in issue in the Handling Commission Review"

c) See the following table:

Study System				
FYE Month	# Depots	% Depots	FY2024 Volume	% Total FY2024
January	8	4%	72,692,853	3%
February	7	3%	84,731,039	4%
March	29	14%	332,368,179	16%
April	11	5%	101,145,867	5%
May	11	5%	115,811,120	5%
June	25	12%	365,308,773	17%
July	7	3%	106,822,030	5%
August	10	5%	128,732,165	6%
September	15	7%	173,137,106	8%
October	9	4%	137,346,900	7%
November	1	0%	1,349,822	0%
December	76	36%	490,874,860	23%
	209	100%	2,110,320,715	100%

d) See the following table:

Total System				
FYE Month	# Depots	% Depots	CY2024 Volume	% Total CY2024
January	7	3%	67,408,993	3%
February	7	3%	83,745,379	4%
March	31	14%	332,287,836	15%
April	12	5%	110,682,846	5%
May	11	5%	134,594,073	6%
June	26	12%	380,177,265	17%
July	9	4%	125,018,015	6%
August	11	5%	131,075,971	6%
September	14	6%	158,363,993	7%
October	8	4%	131,626,470	6%
November	1	0%	1,234,386	0%
December	84	38%	517,815,812	24%
	221	100%	2,174,031,039	100%

e) See the following table showing a breakdown of depot fiscal year ends, by month, by volume cluster, for the Study System:

Volume Cluster	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	0	0	0	0	0	2	0	1	2	0	0	5	10
2	2	0	0	0	0	2	0	0	1	0	1	5	11
3	0	0	0	0	1	0	0	1	0	1	0	7	10
4	0	0	2	0	0	0	0	1	0	0	0	7	10
5	0	0	0	0	1	0	0	0	1	0	0	9	11
6	1	0	1	0	2	1	0	0	1	0	0	4	10
7	0	2	2	1	0	2	1	0	0	0	0	3	11
8	0	0	0	3	1	0	0	0	0	1	0	5	10
9	0	1	2	1	0	1	1	1	1	0	0	3	11
10	0	0	3	1	0	2	0	0	1	1	0	2	10
11	1	2	2	0	1	1	0	0	0	0	0	4	11
12	0	0	3	0	1	1	0	0	0	0	0	5	10
13	2	0	1	0	0	2	0	0	1	0	0	4	10
14	0	0	3	3	0	1	0	1	0	0	0	3	11
15	1	0	1	1	0	1	0	1	2	1	0	2	10
16	0	0	5	0	0	1	2	0	1	0	0	2	11
17	0	0	0	0	1	0	2	1	1	2	0	3	10
18	0	1	2	1	2	2	0	0	1	1	0	1	11
19	1	0	1	0	1	1	0	3	1	2	0	0	10
20	0	1	1	0	0	5	1	0	1	0	0	2	11
Total	8	7	29	11	11	25	7	10	15	9	1	76	209

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-20

**Requesting Party:** ABDA

**Subject:** Building Costs - Capital Expenditure Allowance

**Date:** 2025.11.27

## References:

- 2025.08.11.Real.Estate.Expert.Final.Report.CBRE (Doc 27) (the "2025 Real Estate Expert Report")
- 2025.10.03.2024.UCA.Template.DCA (Doc 29) ("UCA Template")

## Preamble:

The 2025 Real Estate Report on page 5 states:

Often, larger capital expenditure items such as roof replacements or pavement resurfacing are amortized and recovered from respective tenants, however we have not included a capital expenditure amortization allowance in our analysis of maintenance due to the variability in physical property characteristics as well as lease structure for this item. [emphasis added]

Depots report costs of leasehold improvements on the UCA, including leasehold capital cost allowance ("CCA") for leased buildings (UCA Table 5a, lines 508-511), and building CCA for owned buildings (UCA Table 5a, line 512). Maintenance and repairs are reported on lines 715 and 717 (Table 7) of the UCA.

The Phase I Report at page 36 states:

...costs reported by depots are replaced in accordance with BCMB's Depot Building Deemed Lease Rate Policy – these ... changes account for the difference between As Accepted and As Adjusted building costs.

Regardless of where depots report the cost of capital expenditures for Buildings, it appears that all such costs are removed and replaced with deemed rates by the DCA in establishing As Adjusted Building Costs for the Revenue Requirement – deemed rates which the DCA's Real Estate Expert acknowledges does not provide an allowance for amortization of capital expenditures.

## Request:

- a) Please provide a report, on a Total System basis and also disaggregated into the thirteen Building categories, summarizing depot leasehold and owned-building capital expenditures reported on each of lines 508-512 of Table 5a of the UCA and also maintenance and repairs as reported on lines 715 and 717 of Table 7 of the UCA. Please provide this information on a

total as well as per square footage basis.

b) Please confirm whether each of the costs reported as leasehold CCA (UCA line 510), building CCA (UCA line 512) and building maintenance (UCA lines 715 and 717) have been removed from Revenue Requirement (i.e., not included in As Adjusted Building Costs).

- If confirmed, please explain why these costs have been removed in light of the DCA's Real Estate Expert's acknowledgement that they have not included a capital expenditure amortization allowance in their determination of proposed deemed rates.
- If confirmed, please explain whether or not it is appropriate to adjust the Revenue Requirement to account for CCA. If an adjustment is appropriate, please recommend what such adjustment should be and update the Revenue Requirement accordingly.
- If not confirmed, please show how these costs have been included in the As Adjusted Building Costs.

## Response:

a) Data is listed below.

i. On a total basis for the 2 different buildings (Lease vs. Owned)

Leased or Owned Compliance	Lease (All)	Lease				
Building Group	Sum of BCMB Reported	Sum of Leasehold Improvements CCA	Sum of Building Capital Cost Allowance	Sum of Common Area	Sum of Building Repairs and Maintenance	
Permanent Square Footage						
Bedroom City	57609 \$	39,543		\$ 0 \$	118,677	
Calgary Commercial	109455 \$	67,762		\$ 28,214 \$	212,948	
Calgary Industrial	4830 \$	3,869		\$ 0 \$	0	
Calgary Retail	50735 \$	88,325		\$ 61,060 \$	315,798	
Edmonton Commercial	114333 \$	7,645		\$ 3,629 \$	208,216	
Edmonton Industrial	23384 \$	5,743		\$ 56,700 \$	8,999	
Edmonton Retail	19081 \$	0		\$ 14,268 \$	101,072	
North City	43931 \$	707		\$ 84,119 \$	71,837	
Rural Hamlet	1491 \$	0		\$ 0 \$	6,113	
Rural North Town	45973 \$	83,930 \$	\$ 8,277 \$	\$ 7,340 \$	31,194	
Rural South Town	95847 \$	2,249		\$ 3,809 \$	56,625	
Rural Village	38699 \$	20		\$ 2,314 \$	11,824	
South City	59867 \$	19,211		\$ 37,945 \$	50,813	
<b>Grand Total</b>	<b>665235 \$</b>	<b>319,004 \$</b>	<b>\$ 8,277 \$</b>	<b>\$ 299,398 \$</b>	<b>1,194,116</b>	

Leased or Owned	Own	Own				
Building Group	Sum of Leasehold Improvements CCA		Sum of Building Capital Cost Allowance		Sum of Common Area Maintenance	Sum of Building Repairs and Maintenance
	Sum of BCMB Reported	Permanent Square Footage				
		Footage				
Bedroom City	8247		\$ 2,844	\$ 0	\$ 147	
Calgary Retail	14312		\$ 19,436	\$ 5,164	\$ 7,013	
Edmonton Industrial	7500		\$ 25,326	\$ 0	\$ 5,029	
Rural Hamlet	6296		\$ 21,988	\$ 500	\$ 16,986	
Rural North Town	71519		\$ 161,720	\$ 2,601	\$ 86,229	
Rural South Town	72876		\$ 128,999	\$ 2,410	\$ 174,480	
Rural Village	41571	\$ 0	\$ 55,282	\$ 12,831	\$ 72,791	
South City	43473		\$ 117,787	\$ 6,466	\$ 60,597	
<b>Grand Total</b>	<b>265794</b>		<b>0 \$</b>	<b>533,381 \$</b>	<b>29,972 \$</b>	<b>423,271</b>

ii. On a per square foot basis (Lease vs. Owned)

Leased or Owned	Lease	Lease				
Building Group	Sum of BCMB Reported		Sum of Building Capital Cost Allowance per Sq Ft	Sum of Leasehold Improvements CCA per Sq Ft	Sum of Common Area Maintenance Per Sq Ft	Sum of Building Repairs and Maintenance Per Sq Ft
	Permanent Square Footage					
	Footage					
Bedroom City	57609		0.00	0.69	0.00	2.06
Calgary Commercial	109455		0.00	0.62	0.26	1.95
Calgary Industrial	4830		0.00	0.80	0.00	0.00
Calgary Retail	50735		0.00	1.74	1.20	6.22
Edmonton Commercial	114333		0.00	0.07	0.03	1.82
Edmonton Industrial	23384		0.00	0.25	2.42	0.38
Edmonton Retail	19081		0.00	0.00	0.75	5.30
North City	43931		0.00	0.02	1.91	1.64
Rural Hamlet	1491		0.00	0.00	0.00	4.10
Rural North Town	45973		0.18	1.83	0.16	0.68
Rural South Town	95847		0.00	0.02	0.04	0.59
Rural Village	38699		0.00	0.00	0.06	0.31
South City	59867		0.00	0.32	0.63	0.85
<b>Grand Total</b>	<b>665235</b>					

Leased or Owned	Own	Own				
Building Group	Sum of BCMB Reported		Sum of Building Capital Cost Allowance per Sq Ft	Sum of Leasehold Improvements CCA per Sq Ft	Sum of Common Area Maintenance Per Sq Ft	Sum of Building Repairs and Maintenance Per Sq Ft
	Permanent Square Footage					
	Footage					
Bedroom City	8247		0.34	0.00	0.00	0.02
Calgary Retail	14312		1.36	0.00	0.36	0.49
Edmonton Industrial	7500		3.38	0.00	0.00	0.67
Rural Hamlet	6296		3.49	0.00	0.08	2.70
Rural North Town	71519		2.26	0.00	0.04	1.21
Rural South Town	72876		1.77	0.00	0.03	2.39
Rural Village	41571		1.33	0.00	0.31	1.75
South City	43473		2.71	0.00	0.15	1.39
<b>Grand Total</b>	<b>265794</b>					

b) The DCA confirms leasehold improvements CCA and building capital cost allowance have been

removed from the Study System, i.e., are included in the building costs that are ultimately replaced by deemed costs.

CBRE has provided the following additional explanation in response to this information request:

It appears that the interpretation of what recoverable amortization is may have been confused by the ABDA. Recoverable amortization is a concept distinct from capital cost allowances. Recoverable amortization is typically landlord funded and then recovered from tenants based upon the requirements of the lease.

However, implicit within our concluded triple-net lease rates is a typical allowance for leasehold improvements, which are a landlord funded amount for build-outs at the beginning of a lease term to bring the building to a typical standard and/or to attract tenants. Anything over and above this typical standard would be the responsibility of the tenants. As we do not have direct communication with the parties who provided the information, it is unclear whether the leasehold improvements CCA as reported relate to tenant-funded or landlord-funded improvements. Tenant funded improvements would be excluded from our analysis. CBRE was not engaged to analyze these costs and therefore further investigation may be warranted. That said, with a lack of full information as to the source or party that paid for the improvements, any variances in this regard would likely be captured within the accuracy standard of +/- 5-10% in metro markets and +/- 15-20% in urban and rural markets.

CBRE has noted "it is unclear whether the leasehold improvements CCA as reported relate to tenant-funded or landlord-funded improvements," and the DCA confirms this is not specified by depots on their UCAs as that has not been a UCA requirement. CBRE also notes "with a lack of full information as to the source or party that paid for the improvements, any variances in this regard would likely be captured within the accuracy standard of +/- 5-10% in metro markets and +/- 15-20% in urban and rural markets." Based on the UCA data provided by depots and CBRE's comments, the DCA has determined it is not appropriate to adjust the Revenue Requirement to account for CCA.

## Information Request Response

In Response to HCR Document #: 38.2025.11.27.DCA.Information.Request.ABDA

Information Request #: ABDA-DCA-21

Requesting Party: ABDA

Subject: Building Costs - Insurance and Property Taxes

Date: 2025.11.27

## References:

- 2025.08.11.Real.Estate.Expert.Final.Report.CBRE (Doc 27) (the "2025 Real Estate Expert Report")
- 2019.08.13.Real.Estate.Final.Report.CBRE (Doc 76) (the "2019 Real Estate Expert Report")

## Preamble:

The following table compares the deemed rates (cost per square foot) for Building Insurance and Property Taxes as proposed by the DCA's Real Estate Expert in their 2025 and 2019 Reports.

	Insurance				Property Taxes			
	2025	2019	Difference	% Change	2025	2019	Difference	% Change
Calgary Retail	0.30	0.30	-	0%	8.00	8.00	-	0%
Calgary Commercial	0.25	0.25	-	0%	6.50	4.15	2.35	57%
Calgary Industrial	0.20	0.20	-	0%	5.00	3.50	1.50	43%
Edmonton Retail	0.30	0.30	-	0%	7.50	5.25	2.25	43%
Edmonton Commercial	0.25	0.25	-	0%	3.50	3.50	-	0%
Edmonton Industrial	0.20	0.20	-	0%	4.00	2.75	1.25	45%
Bedroom City	0.20	0.20	-	0%	3.00	2.00	1.00	50%
North City	0.40	0.20	0.20	100%	2.25	2.35	(0.10)	-4%
South City	0.20	0.20	-	0%	2.00	2.00	-	0%
Rural North Town	0.20	0.20	-	0%	1.65	1.50	0.15	10%
Rural South Town	0.20	0.20	-	0%	1.75	1.25	0.50	40%
Rural Village	0.20	0.20	-	0%	1.75	1.00	0.75	75%
Rural Hamlet	0.15	0.15	-	0%	2.00	2.00	-	0%

The 2025 Real Estate Expert Report on page 5 states:

A ... methodology was implemented in the determination of realty taxes, utility costs, insurance and maintenance expenses associated with operating bottle depot facilities within each of the 13 building groups. The team supplemented their analysis with extracted expense information from recent appraisal reports completed by licensed appraiser's in CBRE's Calgary and Edmonton offices. Combining this with the data provided from MNP LLP relating to the actual expenses reported by the individual depots and expense details relating to the lease comparables utilized within our analysis, expense figures for each group were determined from the extracted samples to complete the attached summary table.

The ABDA seeks to better understand the approach of the Real Estate Expert for determining operating costs (realty/property taxes, utility costs, insurance and maintenance expenses), including the extent to which they use data provided by the DCA.

## Request:

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- a) Please provide all external data considered, analyzed, and applied in the determination of the deemed building costs for insurance as proposed by the DCA's Real Estate Expert.
- b) Please share all working papers used (redacting confidential information) in determining the deemed insurance rates.
- c) Please provide the weightings allocated to external market data and DCA-provided data in determining the final deemed insurance rates broken down by location category.
- d) Please provide all external data considered, analyzed, and applied in the determination of the deemed building costs for property taxes as proposed by the DCA's Real Estate Expert.
  - i. Please include any government information or data referenced for reviewing historical rates as well as estimates for July 1, 2025.
- e) Please share all working papers used (redacting confidential information) in determining the deemed property tax rates.
- f) Please provide the weightings allocated to external market data and DCA-provided data in determining the final deemed property tax rates broken down by location category.
- g) Please provide the As Accepted amounts for property tax expenses separated into the 13 building groups.
- h) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for property tax expenses.

## Response:

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- a) The data the DCA provides to CBRE is detailed building cost data attributable to individual depots. As this data is business-proprietary, the DCA declines to share this data in this response. However, this data is provided on an aggregate basis by building group in the response to ABDA-DCA-20. In addition, CBRE has provided the following response:  
The data utilized by CBRE relates to property budgets and operating statements provided our

by our clients. CBRE is bound by confidentiality agreements and cannot disclose this information. CBRE completes hundreds of valuations annually of properties that would be considered similar to bottle depots or could accommodate bottle depots, and therefore there is a large sample set of data from which we drew upon in order to reach the conclusions reported in our analysis.

b) CBRE has provided the following response:

As per above, the information we rely upon is confidential and we are prohibited from disclosing data provided by our clients, if not otherwise available in the public domain.

c) CBRE has provided the following response:

Greater weighting was placed upon the external market data, as CBRE is unable to verify what forms of insurance are included within the DCA-provided data. As indicated within our report, CBRE only includes the real-estate portion of insurance and does not include general liability or business insurance. We were unable to verify what costs were included in the DCA- reported insurance data, and as the DCA reported data varied significantly from property to property on a per square foot basis, little weight was placed upon this data.

d) CBRE has provided the following response:

As noted above, CBRE is unable to share confidential information provided by our clients, or data stored in our proprietary databases.

(i) CBRE was able to reference a number of municipal assessment sites to supplement the data from our database and the DCA provided data. This data is available to the public via the various municipal websites. Some examples are listed below:

- Edmonton: <https://maps.edmonton.ca/map.aspx>
- Calgary: <https://mytax.calgary.ca/externallogin.aspx>
- Red Deer: <https://www.reddeer.ca/city-services/property-assessment-and-taxes/your-property-assessment/>

e) CBRE has provided the following response:

CBRE is unable to share confidential information from our databases and from our clients.

f) CBRE has provided the following response:

While this varied by building category depending on how robust the DCA-provided data was (in many cases property tax amounts were not reported), we generally placed greater weight on the DCA-provided data, supplemented by the municipal assessment data research noted above, information from our research team, our property tax experts, lease comparable database, and actual data from external appraisals we have completed.

g) See the following table.

Leased or Owned	(All)	
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Property Tax
Bedroom City	65856 \$	65,321
Calgary Commercial	109455 \$	176,888
Calgary Industrial	4830 \$	0
Calgary Retail	65047 \$	305,991
Edmonton Commercial	114333 \$	196,149
Edmonton Industrial	30884 \$	30,286
Edmonton Retail	19081 \$	0
North City	43931 \$	26,884
Rural Hamlet	7787 \$	18,756
Rural North Town	117492 \$	106,772
Rural South Town	168723 \$	184,348
Rural Village	80270 \$	63,227
South City	103340 \$	126,398
<b>Grand Total</b>	<b>931029 \$</b>	<b>1,301,020</b>

h) See the following table.

Leased or Owned	(All)			
Property Tax	\$			
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Property Tax	Number of Depots that reported 0 property tax	
Bedroom City	44260 \$	0	9	
Calgary Commercial	73925 \$	0	11	
Calgary Industrial	4830 \$	0	1	
Calgary Retail	22933 \$	0	4	
Edmonton Commercial	76286 \$	0	10	
Edmonton Industrial	23384 \$	0	4	
Edmonton Retail	19081 \$	0	3	
North City	32103 \$	0	3	
Rural North Town	45689 \$	0	11	
Rural South Town	55536 \$	0	18	
Rural Village	33979 \$	0	16	
South City	33322 \$	0	5	
<b>Grand Total</b>	<b>465328 \$</b>	<b>0</b>	<b>95</b>	

95 depots reported no property tax, with 86 of them leasing their buildings.

## Information Request Response

<b>In Response to HCR Document #:</b>	38.2025.11.27.DCA.Information.Request.ABDA
<b>Information Request #:</b>	ABDA-DCA-22
<b>Requesting Party:</b>	ABDA
<b>Subject:</b>	Building Costs - Insurance Expenses and Repairs and Maintenance Expenses
<b>Date:</b>	2025.11.27

## References:

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- 2025.08.11.Real.Estate.Expert.Final.Report.CBRE (Doc 27) (the "2025 Real Estate Expert Report")

## Preamble:

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The 2025 Real Estate Report on page 5 states:

It is noted that the insurance costs for each grouping include only the real estate portion of insurance, and do not include business or general liability insurance. For this reason, the actual insurance costs for each depot is likely to be much higher once business or other insurance is added.

## Request:

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- a) Please provide the As Accepted amounts for Property Insurance and Building Insurance expenses, separated into the 13 building groups.
- b) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for Property Insurance and/or Building Insurance expenses.
- c) Please explain the approach taken by the DCA for allocating insurance costs from tax returns and/ or financial statements for depots that have the DCA fill out their UCAs (i.e., 'Table 1 Only' filers and 'Full with DCA' filers), and please provide any supporting documentation.
- d) When the breakout of insurance costs between the UCA categories of property (line 714), building (line 174.5), vehicle (line 731), and general liability and other (line 744) is not provided by the depot, how does the DCA allocate these costs?
  - i. Are these insurance costs allocated on a percentage basis between the different line items in the UCA? If so, what are the percentages used to assign insurance costs to these UCA categories? If not allocated on percentage basis, please explain what method is used.
- e) Please provide the total insurance costs reported by those depots that have the DCA fill out their UCAs. Please also provide totals for each of the UCA insurance categories of property, building, vehicle, and general liability and other.

- f) Please explain the approach taken by the DCA for allocating repairs and maintenance costs from tax returns and/or financial statements for depots that have the DCA fill out UCAs (i.e., 'Table 1 Only' filers and 'Full with DCA' filers), and please provide any supporting documentation.
- g) When the breakout of repairs and maintenance costs between the UCA categories of building (lines 715-717), equipment (line 722) and vehicle (line 729) is not provided by the depot, how does the DCA allocate these costs?
  - i. Are these repairs and maintenance costs allocated on a percentage basis between the different line items in the UCA? If so, what are the percentages used to assign repairs and maintenance costs to these UCA categories? If not allocated on percentage basis, please explain what method is used.
- h) Please provide the total repairs and maintenance costs reported by those depots that have the DCA fill out their UCAs. Please also provide totals for each of the UCA repairs and maintenance categories of building, equipment, and vehicle.
- i) Please provide the As Accepted amounts for repairs and maintenance expenses (UCA lines 715 to 717) separated into the 13 building groups.
- j) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for repairs and maintenance expenses (UCA lines 715 to 717).

## Response:

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- a) See the following table for property insurance and building insurance:

Leased or Owned (All)	Property Tax (All)	Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Property Insurance	Sum of Building Insurance	# of Depots that reported 0 for Property Insurance	# of Depots that reported 0 for Building Insurance
		Bedroom City	65856 \$	12,651 \$	60,989	10	5
		Calgary Commercial	109455 \$	19,039 \$	33,732	12	11
		Calgary Industrial	4830 \$	0 \$	0	1	1
		Calgary Retail	65047 \$	43,959 \$	28,647	4	6
		Edmonton Commercial	114333 \$	37,418 \$	36,448	11	9
		Edmonton Industrial	30884 \$	11,626 \$	0	3	5
		Edmonton Retail	19081 \$	0 \$	11,714	3	1
		North City	43931 \$	27,288 \$	9,830	0	2
		Rural Hamlet	7787 \$	6,987 \$	9,648	2	1
		Rural North Town	117492 \$	95,213 \$	66,774	14	21
		Rural South Town	168723 \$	103,381 \$	74,438	28	33
		Rural Village	80270 \$	83,648 \$	76,761	17	19
		South City	103340 \$	70,750 \$	21,604	4	10
		<b>Grand Total</b>	<b>931029 \$</b>	<b>511,961 \$</b>	<b>430,583</b>	<b>109</b>	<b>124</b>

- b) See the answer above for a)
- c) For 'Table 1 Only' Depots that are only required to submit the first table of the UCA, the DCA does not capture any information related to insurance costs as it is not a requirement within the table.

Depots that have 'Full with DCA' compliance status are required to submit financial documents alongside a partially or fully complete UCA. The DCA then uses the financial documents to allocate operating expenses accordingly in Table 7. For insurance costs specifically, the DCA looks for any expenses with this title or a related title and enters them into the corresponding line(s) of the UCA. In cases where further explanation may be needed, the DCA will follow up with the Depot to gain additional clarity or information.

- d) The DCA allocates insurance costs in the UCA with the corresponding description from the financial documents. In cases where the insurance costs breakdown is not provided by the depot, the DCA will follow up to gain any additional clarity the depot is able to provide for the breakdown.
  - i. The insurance costs are not allocated on a percentage basis between the different line items in the UCA. They are allocated based on the description listed in the financial documents or provided by the depot.
- e) See the table below for each insurance category:

Leased or Owned Compliance	(All)	Full with DCA				
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Vehicle Insurance & Registration	Sum of Property Insurance	Sum of Building Insurance	Sum of General Liability and Other Insurance (non-property)	
Rural Hamlet	4587 \$	0 \$	2,387 \$	5,112 \$		3,000
Rural North Town	7221 \$	1,247 \$	10,016 \$	1,972 \$		0
Rural South Town	16594 \$	6,806 \$	5,677 \$	12,121 \$		83
Rural Village	29275 \$	6,714 \$	19,666 \$	28,470 \$		6,142
<b>Grand Total</b>	<b>57677 \$</b>	<b>14,767 \$</b>	<b>37,746 \$</b>	<b>47,674 \$</b>		<b>9,225</b>

- f) For 'Table 1 Only' Depots that are only required to submit the first table of the UCA, the DCA does not capture any information related to repairs and maintenance costs as it is not a requirement within the table.

Depots that have 'Full with DCA' compliance status are required to submit financial documents alongside a partially or fully complete UCA. The DCA then uses the financial documents to allocate operating expenses accordingly in Table 7. For repairs and maintenance costs specifically, the DCA looks for any expenses with this title or a related title and enters them into the corresponding line of the UCA. In cases where further explanation may be needed, the DCA will follow up with the Depot to gain additional clarity or information.

- g) The DCA allocates repairs and maintenance costs in the UCA with the corresponding description from the financial documents. In cases where the repairs and maintenance costs breakdown is not provided by the depot, the DCA will follow up to gain any additional clarity the depot is able to provide for the breakdown. In select cases where no vehicle costs or equipment costs are listed in the UCA, the DCA will allocate the costs to building repairs and maintenance.
  - i. The repairs and maintenance costs are not allocated on a percentage basis between the different line items in the UCA. They are allocated based on the description listed in the financial documents or provided by the depot.
- h) See the following table:

Leased or Owned (All)				
Compliance	Full with DCA			
Row Labels		Sum of Common Area Maintenance	Sum of Building Repairs and Maintenance	Sum of Vehicle Maintenance Equipment
Rural Hamlet	\$ 0	\$ 18,502	\$ 0	\$ 7,884
Rural North Town	\$ 0	\$ 4,115	\$ 56	\$ 11,053
Rural South Town	\$ 0	\$ 21,500	\$ 6,653	\$ 0
Rural Village	\$ 7,576	\$ 25,648	\$ 13,085	\$ 1,385
<b>Grand Total</b>	<b>\$ 7,576</b>	<b>\$ 69,764</b>	<b>\$ 19,794</b>	<b>\$ 20,322</b>

i) See the following table:

Leased or Owned (All)							
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Common Area Maintenance	Sum of Building Repairs and Maintenance	Sum of Vehicle Maintenance	# of Depots that reported 0 for common area maintenance	# of Depots that reported 0 for Building Repair and Maintenance	# of Depot that reported 0 for Vehicle Maintenance
Bedroom City	65856 \$	0 \$	\$ 118,824	\$ 44,789	13	3	5
Calgary Commercial	109455 \$	\$ 28,214	\$ 212,948	\$ 53,894	14	5	8
Calgary Industrial	4830 \$	0 \$	0 \$	0	1	1	1
Calgary Retail	65047 \$	\$ 66,224	\$ 322,811	\$ 57,392	7	3	3
Edmonton Commercial	114333 \$	\$ 3,629	\$ 208,216	\$ 64,499	11	2	7
Edmonton Industrial	30884 \$	\$ 56,700	\$ 14,028	\$ 28,264	2	1	3
Edmonton Retail	19081 \$	\$ 14,268	\$ 101,072	\$ 11,486	2	1	2
North City	43931 \$	\$ 84,119	\$ 71,837	\$ 20,648	3	1	2
Rural Hamlet	7787 \$	\$ 500	\$ 23,099	\$ 2,963	4	0	4
Rural North Town	117492 \$	\$ 9,941	\$ 117,423	\$ 39,933	30	12	21
Rural South Town	168723 \$	\$ 6,219	\$ 231,105	\$ 126,650	47	17	27
Rural Village	80270 \$	\$ 15,145	\$ 84,615	\$ 131,421	30	13	16
South City	103340 \$	\$ 44,411	\$ 111,410	\$ 94,431	10	5	5
<b>Grand Total</b>	<b>\$ 931029</b>	<b>\$ 329,369</b>	<b>\$ 1,617,387</b>	<b>\$ 676,370</b>	<b>174</b>	<b>64</b>	<b>104</b>

j) See the answer for question i)

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-23

**Requesting Party:** ABDA

**Subject:** Building Size Cap

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")
- 2018.11.07.Depot.Building.Size.Cap.Policy.BOARD.APPROVED. ("Size Cap Policy")

## Preamble:

The Depot Building Size Cap Policy at section 3 directs the DCA to review the volume clusters applied during each HCR. Section 3 states:

Due to the variability of Containers processed in the system, and thus the implied variability in square footage requirements, maximum square footage will be determined based on size categories which in turn are based on annual Container returns. As part of each HCR, the DCA will review the volume clusters as identified in the below table, and if required, make changes based on, but not limited to, any of the following criteria:

- a. The percent change between members of each grouping;
- b. The number of depots in each grouping; and
- c. The total volume processed by the system.

The categories below will form the basis for the DCA's review of volume clusters. In general, volume clusters will follow the structure in the table below, but the specifics are subject to change by the DCA.

Volume Cluster	Annual Container Returns
1	0 – 999,999
2	1,000,000 – 1,999,999
3	2,000,000 – 2,999,999
4	3,000,000 – 6,999,999
5	7,000,000 – 14,999,999
6	15,000,000 – 24,999,999
7	25,000,000 +

The Phase I Report at pages 38 and 39 states:

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 volumes groups with the following volume ranges:

- Fewer than 2,999,999 containers
- 3,000,000 – 6,999,999 containers
- 7,000,000 – 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.

## Request:

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- a) Please provide a list of all depots showing their geographic classification (rural, urban, or metro) and their size in square feet, before and after the application of the maximum square footage cap.
- b) Please provide a list categorizing all depots into the seven volume clusters specified at section 3 of the Depot Building Size Cap Policy, broken down by location category and total square footage, before and after the application of the square footage cap.
- c) Please provide revised versions of Phase I Report Tables 34 and 36 and Figure 16, and the resulting Total System building cost, based upon using the following five volume clusters:
  - Fewer than 2,999,999 containers
  - 3,000,000 – 6,999,999 containers
  - 7,000,000 – 24,999,999 containers
  - 25,000,000 – 29,999,999 containers
  - Greater than or equal to 30,000,000 containers
- d) Please provide revised versions of Phase I Report Tables 34 and 36 and Figure 16, and the

resulting Total System building cost, based upon using the seven volume clusters proposed in the Depot Building Size Cap Policy.

e) Please provide revised versions of Phase I Report Tables 34 and 36 and Figure 16, and the resulting Total System building cost, based upon using the following eight volume clusters (similar to request 'd', but with the final cluster split apart):

- Fewer than 999,999 containers
- 1,000,000 – 1,999,999 containers
- 2,000,000 – 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
- 25,000,000 – 29,999,999 containers
- Greater than or equal to 30,000,000 containers

## Response:

a) The requested data is confidential and attributable to individual depots. As such, the DCA declines to share this data in the requested level of detail. As an alternative, the following table summarizes the requested data by population density classification (i.e., rural, urban, metro).

Population Density Classification	Number of Depots	Total System Square Feet	Total System Adjusted Square Feet	% Reduction
Rural	132	364,553	357,983	1.8%
Urban	38	269,515	246,699	8.5%
Metro	51	336,404	325,979	3.1%
Total	221	970,472	930,661	4.1%

b) See the following table:

Building Volume Group	Volume Range	Number of Depots	Total System Square Feet	Maximum Square Feet Per Depot	Total System Adjusted Square Feet	% Reduction	
1	-	999,999	11	24,610	3,500	24,610	0.0%
2	1,000,000	1,999,999	27	52,203	3,500	51,543	1.3%
3	2,000,000	2,999,999	26	56,984	3,500	56,984	0.0%
4	3,000,000	6,999,999	49	155,332	4,900	146,147	5.9%
5	7,000,000	14,999,999	49	243,592	7,500	239,137	1.8%
6	15,000,000	24,999,999	41	278,026	9,000	267,017	4.0%
7	25,000,000	+	18	159,725	11,600	145,223	9.1%
<b>Total</b>	<b>-</b>	<b>25,000,000+</b>	<b>221</b>	<b>970,472</b>	<b>11,600</b>	<b>930,661</b>	<b>4.1%</b>

Note that for the volume range of 15,000,000 to 24,999,999 containers, the maximum square feet per depot was 9,000 and not 7,500 as shown in Phase I Table 34. This 9,000 square foot cap was applied throughout the HCR model and in calculating the Revenue Requirement – the incorrect maximum square footage for this volume range impacted only Table 34. As such, no revision of the Revenue Requirement was necessary.

- c) The requested table would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

“2.22 A Participant may request the Data Collection Agent provide information necessary to clarify the Data Collection Agent Report or to simplify the issues or to otherwise permit a full and satisfactory understanding of a matter in issue in the Handling Commission.

2.24 A request for information in accordance with rule 2.22 or 2.23:

2.24.3 shall contain specific questions requesting clarification about the evidence, documents or other material in the possession of the Data Collection Agent or the Participant and which is relevant to the matters in issue in the Handling Commission Review”

- d) For a revised version of Table 34, see response to part b) above. As the seven volume clusters specified in the Depot Building Size Cap Policy were applied, Figure 16 and Table 36 were not impacted and are therefore unchanged.
- e) See response to part c) above.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-24

**Requesting Party:** ABDA

**Subject:** Building Costs

**Date:** 2025.11.27

## References:

- 2025.10.15.Phase.1.and.Phase.II.Schedules.DCA (Doc 33) (the "Phase Schedules")

## Preamble:

Schedule 10C of the Phase Schedules includes three volume clusters (4, 7, and 12) that show no escalation in building costs between the study system and the total system, matching the depot ratio of 1 for the cluster. However, clusters 10 and 18 saw a decrease in costs calculated for the total system despite also having depot ratios of 1.

## Request:

- Please explain how the DCA determined the Total System costs from the Study System for building costs in Schedule 10C of the Phase Schedules.
- Please review the Total System costs determined for volume clusters 4, 7 and 12 and confirm whether any adjustments are appropriate. If adjustments are appropriate, please do so and update the Revenue Requirement accordingly. If not confirmed and not adjusted, please explain why.

## Response:

- Study System building costs are determined by multiplying depots' square footages (after applying the Depot Size Cap policy) by the sum of their respective lease costs per square foot and use costs per square foot as provided by the Real Estate Expert. Total System building costs are determined by the same calculation, with the addition of any depots that were not included in the Study System.
- In the Study System, depot volume clusters are assigned by depots' fiscal year volumes. In the Total System, depot volume clusters are assigned by their calendar year volumes. This can and does result in some depots changing volume cluster from the Study System to the Total System

when their calendar volumes differ from their fiscal year volumes. The DCA reviewed Total System data and noted that in addition to twelve depots being added to the Study System depots, one Study System depot was assigned a different volume cluster in the Total System. This has resulted in volume cluster 18 having lower Total System building costs than Study System building costs despite having a depot ratio of 1.0.

Note that some depots' Total System volumes were adjusted as part of the response to information request ABDA-DCA-31. These adjustments resulted in some changes to Total System building costs shown in Schedule 10c.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-25

**Requesting Party:** ABDA

**Subject:** Depot Real Estate Information

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")
- 2025.08.11.Real.Estate.Expert.Final.Report.CBRE (Doc 27) (the "2025 Real Estate Expert Report")

## Preamble:

The 2025 Real Estate Report on pages 4-5 states:

Market transaction information depicting details of each lease transaction including location, area size, lease terms and rental rates were collected and categorized into each group by commencement date. 13 subgroups were further created within each year of our research to represent the 13 group categories for which fair market lease values were to be established...

...

Ranges of market rents were established for each individual group from which an average lease rate was obtained.

...

A similar methodology was implemented in the determination of realty taxes, utility costs, insurance and maintenance expenses associated with operating bottle depot facilities within each of the 13 building groups. The team supplemented their analysis with extracted expense information from recent appraisal reports completed by licensed appraiser's in CBRE's Calgary and Edmonton offices. Combining this with the data provided from MNP LLP relating to the actual expenses reported by the individual depots and expense details relating to the lease comparables utilized within our analysis, expense figures for each group were determined from the extracted samples to complete the attached summary table.

[emphasis added]

## Request:

- a) Please provide the location category used by the CBRE that was assigned to each Depot.
- b) Please provide the As Accepted amounts for Utilities separated into the 13 building groups.

- c) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for Utilities expenses.
- d) Please provide the As Accepted amounts for condo fees separated into the 13 building groups.
- e) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for condo fees.
- f) Please provide the As Accepted amounts for lease costs and capital cost allowance (split between building and leasehold amounts) separated into the 13 building groups.
- g) For each of the 13 building groups, please provide the number of depots and total square footage of depots that reported \$0 for lease costs and CCA (split between building and leasehold amounts).
- h) For each of the 13 building groups, please provide the range of market rents and operating expenses (realty taxes, utility costs, insurance and maintenance expenses), established for the building group as well as the average lease rate and operating rates established for the building group.
  - i. For each building group, disclose how many market transactions informed the ranges established for that building group.
  - ii. For each building group, explain how the averages were established from the ranges (e.g. simple average or weighted average) and the rational behind using that methodology.
- i) Please provide the market transaction information applied by the CBRE in determining its recommended rent and operating expenses (realty taxes, utility costs, insurance and maintenance expenses), with each transaction categorized into one of the 13 building groups. As applicable, please include the address or location, building or area size, rental rate, lease term, when the lease started, and if the lease was known to include tenant improvements and allowances.
- j) Please provide the data shared by MNP LLP with CBRE for use in their analysis.

## Response:

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- a) Please see the attached file named 2025.07.22.Depot.Classification.CBRE.
- b) Please see the table below.

Leased or Owned Property Tax	(All)	(All)			
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Annual Natural Gas Costs	Sum of Annual Electricity Costs	Sum of Annual Water & Sewer Costs	
Bedroom City	65856 \$	92,138 \$	100,728 \$	31,106	
Calgary Commercial	109455 \$	126,568 \$	155,586 \$	57,927	
Calgary Industrial	4830 \$	0 \$	0 \$	0	
Calgary Retail	65047 \$	105,466 \$	100,957 \$	39,154	
Edmonton Commercial	114333 \$	150,387 \$	218,166 \$	101,504	
Edmonton Industrial	30884 \$	68,997 \$	26,984 \$	17,724	
Edmonton Retail	19081 \$	22,720 \$	34,729 \$	10,153	
North City	43931 \$	80,168 \$	72,442 \$	19,169	
Rural Hamlet	7787 \$	16,901 \$	20,668 \$	3,071	
Rural North Town	117492 \$	131,771 \$	138,524 \$	64,505	
Rural South Town	168723 \$	181,099 \$	188,469 \$	81,688	
Rural Village	80270 \$	92,401 \$	97,815 \$	37,107	
South City	103340 \$	89,599 \$	142,410 \$	97,820	
<b>Grand Total</b>	<b>931029 \$</b>	<b>1,158,216 \$</b>	<b>1,297,479 \$</b>	<b>560,927</b>	

c) Please see the table below.

Leased or Owned Property Tax	(All)	(All)			
Building Group	Sum of BCMB Reported Permanent Square Footage	# of Depots that reported 0 for Natural Gas	# of Depots that reported 0 for Electricity	# of Depots that reported 0 for Water	
Bedroom City	65856	2	2	3	
Calgary Commercial	109455	1	1	3	
Calgary Industrial	4830	1	1	1	
Calgary Retail	65047	0	0	0	
Edmonton Commercial	114333	2	1	4	
Edmonton Industrial	30884	0	1	2	
Edmonton Retail	19081	0	0	1	
North City	43931	0	1	1	
Rural Hamlet	7787	0	0	1	
Rural North Town	117492	4	4	5	
Rural South Town	168723	4	2	5	
Rural Village	80270	5	4	12	
South City	103340	1	0	1	
<b>Grand Total</b>	<b>931029</b>	<b>20</b>	<b>17</b>	<b>39</b>	

d) Please see the table below.

Leased or Owned Property Tax	(All)	(All)		
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Condo Fees	# of Depots that reported 0 for Condo Fees	
Bedroom City	65856 \$	0	13	
Calgary Commercial	109455 \$	34,667	15	
Calgary Industrial	4830 \$	0	1	
Calgary Retail	65047 \$	0	10	
Edmonton Commercial	114333 \$	0	14	
Edmonton Industrial	30884 \$	16,716	4	
Edmonton Retail	19081 \$	0	3	
North City	43931 \$	0	5	
Rural Hamlet	7787 \$	0	5	
Rural North Town	117492 \$	0	34	
Rural South Town	168723 \$	8,400	51	
Rural Village	80270 \$	0	37	
South City	103340 \$	0	14	
<b>Grand Total</b>	<b>931029 \$</b>	<b>59,783</b>	<b>206</b>	

e) Please see the table provided in part d)

f) Please see the table below.

Leased or Owned Property Tax	(All)	(All)		
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Leasehold Improvements CCA	Sum of Building Capital Cost Allowance	Sum of Annual Lease Payments
Bedroom City	65856 \$	39,543 \$	2,844 \$	2,004,803
Calgary Commercial	109455 \$	67,762	\$	3,245,254
Calgary Industrial	4830 \$	3,869	\$	114,129
Calgary Retail	65047 \$	88,325 \$	19,436 \$	2,106,732
Edmonton Commercial	114333 \$	7,645	\$	2,285,925
Edmonton Industrial	30884 \$	5,743 \$	25,326 \$	356,745
Edmonton Retail	19081 \$	0	\$	716,004
North City	43931 \$	707	\$	687,673
Rural Hamlet	7787 \$	0 \$	21,988 \$	0
Rural North Town	117492 \$	83,930 \$	169,997 \$	712,820
Rural South Town	168723 \$	2,249 \$	128,999 \$	1,454,380
Rural Village	80270 \$	20 \$	55,282 \$	451,407
South City	103340 \$	19,211 \$	117,787 \$	800,882
<b>Grand Total</b>	<b>931029 \$</b>	<b>319,004 \$</b>	<b>541,658 \$</b>	<b>14,936,754</b>

g) Please see the table below.

Leased or Owned Compliance	(All)	(All)				
Building Group	Sum of BCMB Reported Permanent Square Footage	Sum of Leasehold Improvements CCA	Sum of Building Capital Cost Allowance	# of Depot that reported 0 Lease Hold Improvement CCA	# of Depot that reported 0 Capital Cost Allowance	
Bedroom City	65856 \$	39,543 \$	2,844	6	1	
Calgary Commercial	109455 \$	67,762		12	0	
Calgary Industrial	4830 \$	3,869		0	0	
Calgary Retail	65047 \$	88,325 \$	19,436	4	0	
Edmonton Commercial	114333 \$	7,645		11	0	
Edmonton Industrial	30884 \$	5,743 \$	25,326	2	0	
Edmonton Retail	19081 \$	0		3	0	
North City	43931 \$	707		4	0	
Rural Hamlet	7787 \$	0 \$	21,988	1	1	
Rural North Town	117492 \$	83,930 \$	169,997	7	4	
Rural South Town	168723 \$	2,249 \$	128,999	22	5	
Rural Village	80270 \$	20 \$	55,282	17	10	
South City	103340 \$	19,211 \$	117,787	7	0	
<b>Grand Total</b>	<b>931029 \$</b>	<b>319,004 \$</b>	<b>541,658</b>	<b>96</b>	<b>21</b>	

h) CBRE provided the following response.

Mass disclosure of data from CBRE's proprietary databases and client provided information outside of official CBRE research publications, even in aggregate/redacted form, is prohibited and we are therefore unable to provide this data. CBRE does publish annual reports which can provide some high-level data, which are available on our website. I have attached the Q2 2025, Q2 2024 and Q2 2023 Canada Industrial Figures reports for reference, which include information on net asking rates, average operating costs, and industrial trends across the country, with specific information included on the Calgary and Edmonton markets.

i)

Category	Number of leases surveyed
Calgary Retail	528
Calgary Commercial	1005
Calgary Industrial	477
Edmonton Retail	195
Edmonton Commercial	224
Edmonton Industrial	481
Bedroom City	142
North City	561
South City	438
Rural North Town	145
Rural South Town	145
Rural Village	169
Rural Hamlet	169

ii) A simple average was extracted from the data analyzed for each building category, with further refinements / adjustments applied based upon standard

appraisal methodology. Adjustments applied may be based upon location, timing, physical characteristics or market characteristics, for example.

- i) CBRE provided the following response:  
As per above, mass disclosure of data from CBRE's proprietary databases and client provided information, even in aggregate form, is prohibited and we are therefore unable to provide this data.
- j) The data the DCA provides to CBRE is detailed building cost data attributable to individual depots. As this data is business-proprietary, the DCA declines to share this data in this response. However, this data is provided on an aggregate basis by building group in the response to ABDA-DCA-20.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-26

**Requesting Party:** ABDA

**Subject:** Volume Forecast Updating

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")
- 2025.10.15.Volume.Forecast.Update.DCA (Doc 34) (the "2025 Volume Forecast")

## Preamble:

The Phase I Report at page 57 states:

...we used all available historical container return and sales volume data 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. ...

In our process, ... We used the training data as an input for the Excel forecasting function to generate test period forecasts for three one- year periods that aligned with previous Target Years... [emphasis added]

As shown in the 2025 Volume Forecast at the 'Data' tab:

- Historical return volume data goes back to the year 2002 for most container streams; whereas
- Historical sales data only goes back to the year 2014.

## Request:

- a) Please provide copies of the Excel spreadsheets and other documents used to generate the test period forecasts and to evaluate the forecasting accuracy.
  - i. If such spreadsheets and other documents are not available, then please provide the complete data set used to generate the test period forecasts and evaluate the forecasting accuracy.
- b) Please explain whether or not the accuracy of the return rate forecast was impacted by the fact

that the return rate forecast approach has a shorter period of historical data than the return volume forecast approach.

- c) Please assess the accuracy of the return volume forecast in comparison to the return rate forecast for the DCA's three one-year test periods, with the historical volume data constrained to the period of available sales data (i.e., 2014-2025).
  - i. Please provide the results of your assessment, broken down by container stream.
  - ii. Please compare the accuracy of this assessment with the original return volume forecast and return rate forecast approaches, and explain whether this assessment has any impact on accuracy.

## Response:

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- a) The forecast methodology testing spreadsheet is included as file 2025.12.19.Forecast.Metholdology.Testing.DCA
- b) The forecast was not impacted by the fact that the return rate forecast approach has a shorter period of historical data than the return volume forecast approach. In forecast testing, the DCA used sales and returns data from the same period of January 2014 through April 2025.

We have revised a sentence from page 57 of the Phase I Report from "we used all available historical container return and sales volume data..." to "we used all available historical container return and sales volume data from January 2014 through April 2025...". We have also revised a sentence from page 58 of the Phase 1 Report from "We used the training data as an input for the Excel forecasting function to generate test period forecasts for three one- year periods that aligned with previous Target Year" to "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."
- c) The requested approach is the approach that was applied in volume forecast testing. The data and testing is shown in the file 2025.12.19.Forecast.Metholdology.Testing.DCA.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-27

**Requesting Party:** ABDA

**Subject:** Management Fees and Other Costs

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) (the "Phase I Report")

## Preamble:

The Phase I Report states on pages 51-52:

...there is a difference of \$4.5 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).

## Request:

- Please provide the total As Reported and As Accepted amounts for "management fees" reported in the "other costs" of the Overhead Costs (UCA Table 7) section of the UCA. Please show these costs as allocated to their Small, Medium and Large and also Rural, Urban and Metro depot categories.
- Please provide the total As Reported and As Accepted amounts for "other costs" on the Overhead Costs (UCA Table 7) section of the UCA. Please show these costs as allocated to their Small, Medium and Large and also Rural, Urban and Metro depot categories.
- Please provide the As Reported and As Accepted costs broken down by the descriptions used by Depots who submitted "other costs". Please show these costs as allocated to their Small, Medium and Large depot categories.
- Please provide a reconciliation of the \$4.5 million difference. In the reconciliation, please include a breakdown of:
  - How much of the \$4.5 million was removed and how much was retained and allocated to As Accepted costs; and

b. The specific categories of costs (such as labour or building costs) into which the retained As Accepted costs were designated, and how much was allocated to each category.

## Response:

a) See the following tables:

Management Fees Reported in Other costs			
Depot Size	Depots Reporting	As Reported Costs	As Accepted Costs
Small	1	\$4,500	\$0
Medium	3	\$1,180,910	\$0
Large	2	\$1,092,263	\$0
Total	6	\$2,277,674	\$0

Management Fees Reported in Other costs			
Depot Size	Depots Reporting	As Reported Costs	As Accepted Costs
Rural	3	\$92,876	\$0
Urban	1	\$1,092,534	\$0
Metro	2	\$1,092,263	\$0
Total	6	\$2,277,674	\$0

b) See the following tables:

Other Costs Reported			
Depot Size	Depots Reporting	As Reported Costs	As Accepted Costs
Small	46	\$831,799	\$264,428
Medium	33	\$1,563,910	\$297,615
Large	28	\$1,464,275	\$174,342
Total	107	\$3,859,985	\$736,385

Depot Size	Other Costs Reported		
	Depots Reporting	As Reported Costs	As Accepted Costs
Rural	57	\$1,019,905	\$324,568
Urban	22	\$1,320,618	\$125,571
Metro	28	\$1,519,462	\$286,246
Total	107	\$3,859,985	\$736,385

- c) This data is unavailable. Cost amounts reported by Depots as 'Other Costs' are otherwise uncategorized and include dozens of miscellaneous descriptions.
- d) The following table breaks down the differences between As Reported, As Accepted, and As Adjusted overhead costs by category.

	Overhead Costs		
	As Reported	As Accepted	As Adjusted
Office Expenses	\$ 1,041,553	\$ 1,031,760	\$ 1,034,773
Shop Supplies	\$ 1,006,824	\$ 1,013,738	\$ 1,023,371
Telephone	\$ 667,787	\$ 671,536	\$ 679,613
Charitable Donations	\$ 207,992	\$ 215,475	\$ 0
Internet	\$ 145,900	\$ 146,778	\$ 147,959
Bank Charges	\$ 958,329	\$ 1,058,754	\$ 1,075,291
Professional Fees	\$ 1,629,880	\$ 1,603,474	\$ 1,615,907
Training Courses	\$ 52,779	\$ 53,348	\$ 53,421
Marketing and Promotions	\$ 456,956	\$ 522,910	\$ 522,958
Advertising	\$ 824,133	\$ 824,825	\$ 830,609
Other Insurance	\$ 588,533	\$ 585,733	\$ 590,110
Municipal Taxes & License	\$ 148,961	\$ 166,474	\$ 167,379
BCMB Fines / Levies	\$ 39,008	\$ 36,777	\$ 0
ABDA Fees	\$ 748,418	\$ 1,161,933	\$ 1,173,300
POR Fees	\$ 118,458	\$ 118,458	\$ 402,624
Other Office Costs	\$ 370,417	\$ 338,280	\$ 339,882
Non-Labour Collection Costs	\$ 323,805	\$ 323,805	\$ 323,805
Deposit Incentives	\$ 350	\$ 350	\$ 350
Goodwill CCA	\$ 263,211	\$ 263,211	\$ 0
Shrinkage	\$ 323,137	\$ 316,204	\$ 316,204
Other Costs	\$ 3,859,985	\$ 736,385	\$ 737,147
Table 9 Collection Costs	\$ 1,069,639	\$ 1,069,639	\$ 1,069,639
Table 9 Deposit Incentives	\$ 838,097	\$ 838,097	\$ 838,097
Table 9 Cash & Shrinkage	\$ 2,037,039	\$ 1,007,735	\$ 1,007,735
Totals	\$ 17,721,195	\$ 14,105,681	\$ 13,950,175

Note: through this reconciliation, the DCA discovered the Table 9 Deposit Incentives and Casual Labour overhead cost category had been captured in As Reported costs but not in As Accepted or As Adjusted costs. The DCA has corrected this. This correction resulted in As Accepted overhead costs increasing by \$838,097 and the Revenue Requirement increasing by \$932,658.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-28

**Requesting Party:** ABDA

**Subject:** Small Depot UCA Filings

**Date:** 2025.11.27

## References:

N/A

## Preamble:

N/A

## Request:

- a) Please provide the number of depots that were designated as 'Full with DCA' UCA filers for 2024.
- b) Please provide the number of depots that would have been designated as 'Full with DCA' UCA filers for 2024 if the statuses were based only on the previous year's volumes and not multiple years of past volumes.
- c) Please provide the As Reported amounts for Professional Fees by depots designated as 'Full with DCA' UCA filers.
- d) Please provide the number of depots that were designated as 'Table 1 Only' UCA filers for 2024.
- e) Please provide the number of depots that would have been designated as 'Table 1 Only' UCA filers for 2024 if the statuses were based only on the previous year's volumes and not multiple years of past volumes.
- f) Please provide the As Reported amounts for Professional Fees by depots designated as 'Table 1 Only' UCA filers.

## Response:

- a) 29 depots were designated as Full with DCA UCA filers for the 2024 filing year.
- b) If only the previous year's volumes were considered, 28 depots would have been designated as Full with DCA UCA filers for the 2024 filing year.
- c) Depots designated as Full with DCA UCA filers reported a total of \$53,154 in Professional Fees.

- d) A total of eight depots were designated as Table 1 Only UCA filers for 2024.
- e) If only the previous year's volumes were considered, 11 depots would have been designated as Table 1 Only UCA filers.
- f) As no Table 1 Only UCA filers filed UCAs, they did not report any professional fees.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-29

**Requesting Party:** ABDA

**Subject:** Small Depot UCA Filings

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2025.10.29.Phase.II.Report.DCA (Doc 32) ("Phase II Report")

## Preamble:

The following items appear to be editorial errata.

## Request:

a) The Phase I Report on page 58 states:

...we compared the forecast with the actual returns from those periods and evaluated test period forecast accuracy using three error measures as follows... [emphasis added]

There were four measures listed afterwards. Please review and update.

b) The Phase I Report on page 58 states:

For the remaining seven container streams... [emphasis added]

Only four container streams followed. Please review and update.

c) The Phase I Report at page 71 and Phase II Report at page 5 make reference to an "income tax expense". This may be an old reference. Please review and update.

d) The Phase II report page 7 refers to the average number of containers received per pallet during 2018. Please review and update the year if appropriate.

e) In the Phase I Report, the scatter plots use colours that can be hard to distinguish (particularly the black and dark green). The colours are also applied inconsistently to depot size groupings. For example, see Figures 8 and 9 on page 29. Please provide figures with colours that are more easily discernable and that are consistent across depot size groupings.

## Response:

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- a) This has been updated in the revised Phase I Report.
- b) This has been updated in the revised Phase I Report.
- c) This has been updated in the revised Phase I Report.
- d) This has been updated in the revised Phase II Report.
- e) The requested formatting changes would not seem to clarify the Data Collection Agent Phase I or Phase II Reports and are not used in (and therefore not relevant to) the Revenue Requirement or Handling Commission calculations. As such, per sections 2.22 and 2.24 of Handling Commission Review Bylaw (below), the DCA has determined that this request is outside the scope of HCR Information Requests.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-30

**Requesting Party:** ABDA

**Subject:** Errata

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2024 DCA Annual Update Report (Attached to this IR as Appendix "F") (the "2024 AUR Report")

## Preamble:

The Phase I report page 39 states:

During the 2024 AUR, the application of the cap removed 5.0% of total reported square footage (or 45,000 square feet).

However, the 2024 AUR Report page 19 states:

Overall, the application of the cap removed a total of 3.57% of total reported square footage (or 34,631 square feet) from the Total System. This compares to the 2023 AUR's cap removing 3.58% of total reported square footage (33,074 square feet). Of the 33,100 square feet removed, 13,400 square feet was related to a single Depot with an exceptionally large building.

## Request:

Please advise what the correct statement should be on page 39 of the Phase I Report.

## Response:

The Phase 1 Report should read "During the 2024 AUR, the application of the cap removed 3.6% of total reported square footage (or 34,631 square feet). This has been revised in the Phase I Report.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-31

**Requesting Party:** ABDA

**Subject:** Errata

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2025.10.29.Phase.II.Report.DCA (Doc 32) ("Phase II Report")
- 2025.10.15.Volume.Forecast.Update.DCA (Doc 34) ("Volume Forecast")

## Preamble:

The 'Data' tab in the Volume Forecast has a blank cell: F273. Given the volume history for the container stream, this appears to be an error.

The Volume Forecast has a 2024 calendar volume of 2,174,618,873 containers. This is different from the 2,246,895,791 containers stated in Phase I Schedule 10a, Phase II Schedule 23, the Phase I Report at pages 14 and 64, and the Phase II Report at page 30. The total difference is 72,276,918 containers or 3.3% of the actuals for the year.

## Request:

- a) Please review the 'Data' tab of the Volume Forecast at cell F273 and confirm whether it ought to be blank. If confirmed, please explain why.
- b) Please identify the correct container volume for the calendar 2024 year and update any incorrect documents as appropriate.

## Response:

- a) This value was deleted intentionally. Sales data for this item showed sales of negative 1,238,482 containers in this month. As this data entry appears to have been in error, the DCA removed it from the data set.
- b) The DCA has identified an error in the Total System data whereby 13 depots that had undergone ownership changes mid-year had double-counted some of their calendar year volumes. This error has been addressed, removing 72,864,752 containers from the Total System. The Total System

volume is now 2,174,031,039 containers (within 0.03% of the Volume Forecast's 2,174,618,873 containers – an immaterial difference). This has resulted in a Target Year Revenue Requirement decrease of \$326,179.

## Information Request Response

**In Response to HCR Document #:** 38.2025.11.27.DCA.Information.Request.ABDA

**Information Request #:** ABDA-DCA-32

**Requesting Party:** ABDA

**Subject:** Errata

**Date:** 2025.11.27

## References:

- 2025.10.29.Phase.I.Report.DCA (Doc 31) ("Phase I Report")
- 2025.10.15.Volume.Forecast.Update.DCA (Doc 34) ("Volume Forecast Update")

## Preamble:

The Phase I Report indicates that the volume forecast includes actual return volumes for August 2025. The Phase I Report at page 58 states:

In our process, training data comprised of all available historical return and sales volume data up to and including August 2025.

Additionally, the 'Chart' tab in the Volume Forecast does not identify August as a forecasted month for 2025-26 in cell F5.

This is consistent with the Volume Forecast Updates used in the Annual Update Reports, where the month of August included actual return volumes (although some container streams were forecasted for sales and return rates).

However, the Volume Forecast Update only includes forecast amounts for August 2025 (row 293), not actual return volumes. This appears to be an error.

## Request:

Please confirm whether the lack of actuals data for August 2025 in the Volume Forecast Update was an error. If not an error, then please explain.

## Response:

At the time of the Phase I and Phase II Report submission, August volumes had been forecasted instead of being shown as actuals. The DCA has updated the volume forecast to include actual August volumes where possible, i.e., for all non-refillable containers (note that at the time of responding to information requests, the most recent sales and returns data for refillable containers was July 2025).

The result of replacing forecasted August returns with actual August returns, and updating September 2025 through April 2026 volume forecasts to include August actuals, was a decrease in the Target Year volume forecast to 2,220,148,847 containers and a decrease in the Target Year Revenue Requirement of \$675,317. An updated volume forecast has been included with the DCA's response to Information Requests.

Note that the Handling Commission Review Schedule calls for the DCA to produce another volume forecast in March 2026.