
Definitions

1. In this Policy:
 - A. “As-Reported Data” for a Depot for any Handling Commission review process, means the actual data for such Depot for its fiscal year ending in the Selected Reporting Period for that Handling Commission review process, as contained in such Depot’s annual filed UCA report for such fiscal year end, and as verified by the DCA;
 - B. “BCMB” means the Beverage Container Management Board. The BCMB is a management board within the meaning of the *Environmental Protection and Enhancement Act* (Alberta) whose mandate is to regulate and enhance a leading beverage container system that protects Alberta’s environment;
 - C. “Container” means a bottle, can, plastic cup or paperboard carton or a package made of metal, plastic, paper, glass or other material, or a combination of them, that contains or has contained a beverage;
 - D. “Data Collection Agent” or “DCA” means the person appointed by the BCMB for the purpose of collecting and analyzing information about the beverage container recycling system in Alberta and reporting on that information;
 - E. “Depot” means a place operated as a business for the collection of empty Containers;
 - F. “Depot Manager” means the individual(s) identified by the Permit Holder as the individual(s) primarily responsible for the day to day operations of a Depot;
 - G. “Handling Commission” or “HC” means the amount payable to a Depot operator for each Container collected from the Depot operator in accordance with section 13(b) of the Regulation;
 - H. “HCRP” means the Handling Commission Review Panel which was involved in the BCMB’s 2005 to 2007 HC review process;
 - I. “Permit” means a permit to operate a Depot issued by the BCMB in accordance with the Regulation and the By-laws;
 - J. “Permit Holder” means an individual or corporate entity named in a Permit;

- K. “Revenue Requirement” means the amount of money that all Depots as a group must collect through Handling Commissions in a given period of time in order to recover prudently-incurred costs, expenses and taxes and to earn a fair return;
- L. “Selected Reporting Period” for any HC review process, means the 12-month period of time to and ending on the cut-off date for that particular HC review process as selected by the BCMB, and to be used by the DCA as the relevant reporting period for Depots in determining the HCs for that particular HC review process;
- M. “Uniform Code of Accounts” or “UCA” means the series of forms identified as such and provided to Depot Permit Holders by the Data Collection Agent for the purpose of collecting financial and operational data on an annual basis.

Background to Policy

- 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) but does not include compensation for owning such Depot businesses (i.e. profits).
- 3. The As-Reported Data provided by Permit Holders in their filed UCAs for any HC review process, includes data on costs for the Depot Managers. The DCA is required to analyze the As-Reported Data contained in UCAs to identify potential over-reporting and under-reporting of costs for the Depot Managers, and to appropriately adjust such As-Reported Data, as required, using external data sources, assumptions on cost drivers and the application of the DCA’s professional judgment.

Depot Manager Cost Determination

- 4. For any HC review process (hereinafter called the “HCR”), the DCA shall determine for each Depot the total costs for the Depot Manager(s) of such Depot to be included in the Revenue Requirement for that HCR. In making such determination for that HCR, the DCA may adjust the total costs for such Depot’s Manager(s) as contained in the As-Reported Data provided through UCA submissions. Where the DCA deems an adjustment is necessary, they shall analyse the reported data in consideration of the following:
 - A. For each and every Depot included in that HCR, the Depot Manager(s) of each Depot will be deemed by the DCA to be salaried employees of such Depot, even if they are not in fact salaried employees of such Depot.
 - B. For each and every Depot included in that HCR, the DCA shall analyze the reported data as follows:

- i. the reasonableness of the manager hours and salary reported by the Permit Holder:
 - a) when the number of Depot Manager hours are unreasonable, then the DCA will determine the number of Depot Manager hours that such Depot will be deemed to have, notwithstanding the number of manager hours actually reported; and
 - b) when the Depot Manager salary and benefits reported are unreasonable, then the DCA will determine the Depot Manager salary and benefits such Depots will be deemed to have, notwithstanding the salary and benefits reported.
 - C. The criteria to be used by the DCA, in developing its methodology for determining for each such Depot the total costs for such Depot's Manager(s) to be included in the Revenue Requirement for that HCR, will include:
 - i. Consideration of all principles of utility rate setting, as applied to the Depot network as deemed appropriate by the DCA;
 - ii. Compensation actually paid at Depots to existing Depot Managers who are not also Permit Holders or related parties, as reported on the UCAs for those Depots for that HCR and as verified by the DCA.
 - iii. When considering whether to adjust reported Depot Manager costs, the DCA may consider the following:
 - a) That managers are also required to work hours outside of public hours.
 - b) That manager hours and pay may vary depending on size, location and volume of depot and Manager skillset/experience.
 - c) That managers receive paid vacation and that there is "Manager" pay for an "Acting Manager" during such vacation.
 - d) That managers can serve in that role on a full-time or part-time basis.
 - e) That managers can also be conducting numerous other tasks while performing supervisory duties.
5. All adjustments of As-Reported Data by the DCA will be subject to review and debate in any HCR process by all parties involved in that HCR process.