DCA Presentation

Phase I and Phase II Report Summary

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Agenda

PEOPLE

MNP’s Team – Introductions

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Background

Industry Background

bcmb
BEVERAGE CONTAINER MANAGEMENT BOARD

abcrc
ALBERTA BEVERAGE CONTAINER RECYCLING CORPORATION

BDL
BREWERS DISTRIBUTOR LTD.

AGLC

ABCC

abda
Alberta Bottle Depot Association

CBA
Canadian Beverage Association

DEPOT
It's Worth It

WESTERN DAIRY COUNCIL

Alberta
Environment and Protected Areas

Alberta Municipalities
Strength In Members

DCA Role

- Support ongoing BCMB initiatives
- Collect, validate, and analyze annual UCA survey data submitted by depots
- Support Handling Commission Review processes
  - Collect and incorporate expert reports: Real Estate, Indices, Return Margin, Time and Motion
  - Create Phase I and II Reports, including recommended Revenue Requirement and Handling Commissions

Today's presentation is an overview of the Phase I and II Reports

BCMB By-laws, Procedures, and Policies

In determining its Revenue Requirement recommendation, the DCA follows and applies a series of BCMB by-laws and policies:

- Handling Commission Review By-law
- Depot By-law
- Depot Building Deemed Lease Rate Policy
- Depot Building Size Cap Policy
- Depot Manager Cost Determination Policy
- Handling Commission Rate Setting Policy
- Offsite Collection Policy
- Return Margin Methodology Policy
- Time and Motion Report Policy

Phase I Results

HCR Results: Revenue Requirement

$ Revenue Requirement: $139.5 million

6.8% increase to handling commissions

Target Year Revenue Requirement Calculation			
		Cost	Cost per Container (¢)
Revenue			
Net Revenue	$	131,646,159	5.89
Expenses			
Direct Labour	$	42,774,512	1.91
Contract Labour	$	2,260,252	0.10
Overhead Labour	$	18,738,346	0.84
Building	$	27,207,282	1.22
Equipment	$	8,265,762	0.37
Vehicle	$	4,339,002	0.19
Overhead	$	13,723,238	0.61
Total Operating Expenses	**$**	**117,308,393**	**5.25**
Total Return	**$**	**22,925,355**	**1.03**
Pre-Tax Return		5.93 %	
Revenue Requirement	**$**	**139,531,260**	**6.24**

Changes to DCA Process

Changes to DCA Process

Since HCR 2019/2020

- The UCA has been updated each year in collaboration with the BCMB and ABDA to make data collection more relevant and user friendly
- Implemented BCMB policy amendments:
    - Removed BCMB fees from overhead costs
    - Implemented a Pre-Tax Return Margin
    - Applied Return Margin to revenues instead of expenses
    - Implemented Depot Viability Handling Commissions (DVHC)
- Indices Report (and Expert) replaced by Alberta CPI quarterly forecast data
- UCA exemption level decreased from 2 million to 1 million containers to collect more small depot data

Phase I Report Overview

Data Review Process

Data Transformation

UCA
- Depots provide financial and operational data to the DCA
- Validated with tax documents and financial statements
- Outliers identified/ reveiwed by Data Verification Flags
- This becomes the As Reported Data used in the Phase I Report

As Reported Data
- Summarized throughout the Phase I Report

As Accepted Data
- As Reported Data is adjusted when data is deemed to be unreasonable by the DCA
- Reported throughout the Phase I Report

As Adjusted Data
- As Accepted data prorated to a common 12-month reporting period
- Building square footage cap applied
- Building Costs replaced with deemed rates from Real Estate Expert
- Offsite collections cap applied
- Reported throughout the Phase I Report

Total System Data
- As Adjusted data escalated for depots that did not complete a UCA (including depots that only submitted an exempt UCA)

Target Year Data
- Total System Data escalated based on:
- New depots scheduled to be opened in Target Year
- Indices forecast
- DCA Volume forecast to the Target Year
- Calculated DVHC

Revenue Requirement
- Total System Expenses
- (+) Return Margin Expert total return
- (-) Miscellaneous Revenue

2024 UCA Review and Verification

REGULAR REVIEW

DATA VERIFICATION FLAGS

UCA Reporting Statistics

	Number of Depots	Total Calendar Year Volume	Percent of Total System	Average Volume
Study System	**209**	**2,101,127,818**	93.5%	**10,053,243**
Non-Exempt Depot UCAs	*180*	*2,060,822,744*	91.7%	*11,449,015*
Exempt as Full Depot UCAs	*29*	*40,305,074*	1.8%	*1,389,830*
Total System	**221**	**2,246,895,791**	**100%**	**10,166,949**

Phase I Report Overview

Operational Statistics

Depot Classification

SIZE CLASSIFICATION

LOCATION CLASSIFICATION

VOLUME CLUSTER CLASSIFICATION

FOR PROFIT OR NOT-FOR-PROFIT

MULTI-BUSINESS OR SINGLE BUSINESS

WALK-IN, DRIVE-THRU, OR BOTH

TAX OWNERSHIP TYPE

Study System Depot Classification Statistics

Depot Category	Number of Depots	Average Container Volume	% of Total Volume 2025/26 HCR	% of Total Volume 2019/20 HCR
Systems				
Total System Depots	221	10,166,949	100%	99%
Depots without Completed UCA (Including Exempt Depots)	12	349,321	0%	3%
Study System Depots	209	10,053,243	94%	96%
Size Classification				
Large	53	23,064,875	54%	58%
Medium	59	10,291,545	27%	26%
Small	97	2,798,848	12%	12%
Location Classification				
Metro	50	19,505,064	43%	46%
Urban	37	17,680,599	29%	30%
Rural	122	3,866,331	21%	20%
Business Type				
Single Business	183	10,538,201	86%	88%
Multi-Business	26	6,639,888	8%	9%
Ownership Type				
Sole Proprietorship	15	2,009,397	1%	1%
Incorporated	180	10,668,555	85%	87%
Registered Charity	11	12,408,500	6%	6%
Other	3	4,717,793	1%	2%

Note: Total System Volume *2,246,895,791*

- **209 Study System Depots**
- **Depot Averages:**
  - 10.9 parking stalls
  - 1.5 cash registers
  - 5.3 buying stations
  - 43.2 weekly operating hours

Phase I Report Overview

Revenues

Handling Commission Revenue

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

- **Calculated Handling Commissions: $119.8 million**
- **$0.3 million difference from Reported Handling Commissions is due to**:
  - Timing differences in reporting
  - Recording location of 3rd Party Collection Costs
  - Shrinkage

Deposit Revenue

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

- $233.1 million in Study System deposit revenue
- This is $1.1 million lower than deposits reported

Miscellaneous Revenue

Miscellaneous Revenue			
Category	Total As Reported	Total As Accepted	Total As Adjusted
Cardboard Sales	$ 249,657	$ 8,879	$ 9,074
Pick-up Fees	$ 361,658	$ 361,658	$ 0
Other Recycling	$ 2,023	$ 3,850	$ 3,850
Bottle Sales	$ 42,186	$ 74	$ 74
Value Added Fee	$ 208,196	$ 208,196	$ 208,196
COVID Subsidy	$ 278,065	$ 452,575	$ 0
Other Revenue	$ 2,110,418	$ 1,759,002	$ 425,154
Subtotal	**$ 3,252,204**	**$ 2,794,234**	**$ 646,348**

- Miscellaneous Revenue is revenue other than handling commission and deposit revenue
- Removed in As Adjusted: Pick-up fees (per Offsite Collection Policy), COVID subsidy (there are no COVID programs in place), building rental (building costs/revenues are replaced by deemed rates), interest and investment revenue

As Adjusted Other Revenue

Revenue Category	Number of Depots Reporting	Total Amount Reported	Percent of Total
Net Revenue	209	$ 121,185,590	100.0%
Depots Reporting Miscellaneous Revenue	50	$ 646,348	0.5%
Depots Reporting Other Revenue	49	$ 425,154	0.4%
Other Revenue Category	**Number of Depots Reporting Other Revenue**	**Total Other Revenue Reported**	**% of Other Revenue**
Confection / Carwash	5	$ 101,490	23.9%
Donations	-	$ 0	0.0%
Grants	11	$ 74,898	17.6%
Insurance Proceeds	2	$ 102,426	24.1%
Other	31	$ 146,340	34.4%
Total Other Revenue	**49**	**$ 425,154**	**100.0%**

- Total Other Revenue: $425,154 (0.4% of Total Revenue)

Phase I Report Overview

Labour Costs

Total Labour Summary

	As Reported		As Accepted		As Adjusted	
	Total Labour Hours	Total Labour Pay	Total Labour Hours	Total Labour Pay	Total Labour Hours	Total Labour Pay
Small	344,718	$ 6,936,857	357,819	$ 8,174,063	367,677	$ 8,271,984
Medium	747,142	$ 18,099,436	761,877	$ 17,930,598	761,877	$ 17,752,233
Large	1,385,512	$ 35,871,393	1,398,007	$ 32,320,662	1,411,300	$ 32,358,398
Total	**2,477,372**	**$ 60,907,687**	**2,517,704**	**$ 58,425,323**	**2,540,855**	**$ 58,382,615**

- 2.5 million Total Labour Hours
- $58.4 million Total Labour Pay

As Adjusted Direct Labour

Depot Category	Hours	Benefits Paid	% of Total T4 Cost	Benefits Paid	Salary Paid*	% of Total T4 Cost	Salary Paid ($/Hour)	Total T4 Costs	Total T4 Costs
Small	226,225	$ 492,106	9.9%	$ 2.18	$ 4,453,803	90.1%	$ 19.69	$ 4,945,909	$ 21.86
Medium	529,589	$ 1,273,855	11.4%	$ 2.41	$ 9,901,211	88.6%	$ 18.70	$ 11,175,066	$ 21.10
Large	1,091,885	$ 2,219,958	9.7%	$ 2.03	$ 20,717,951	90.3%	$ 18.97	$ 22,937,909	$ 21.01
Total	**1,847,699**	**$ 3,985,919**	**10.2%**	**$ 2.16**	**$ 35,072,966**	**89.8%**	**$ 18.98**	**$ 39,058,884**	**$ 21.14**

**Salary includes bonuses*

- **1.8 million Direct Labour Hours at a total cost of $39.1 million**
- **Study System Direct Labour average of $21.14 per hour**
  - $21.86 per hour for small depots
  - $21.10 per hour for medium depots
  - $21.01 per hour for large depots

As Adjusted (for Stub UCAs) Collector Labour

Depot Category	Total Hours	Total Dollars
Small	28,893	$ 579,171
Medium	39,738	$ 832,474
Large	60,925	$ 1,306,188
Total	**129,556**	**$ 2,717,833**

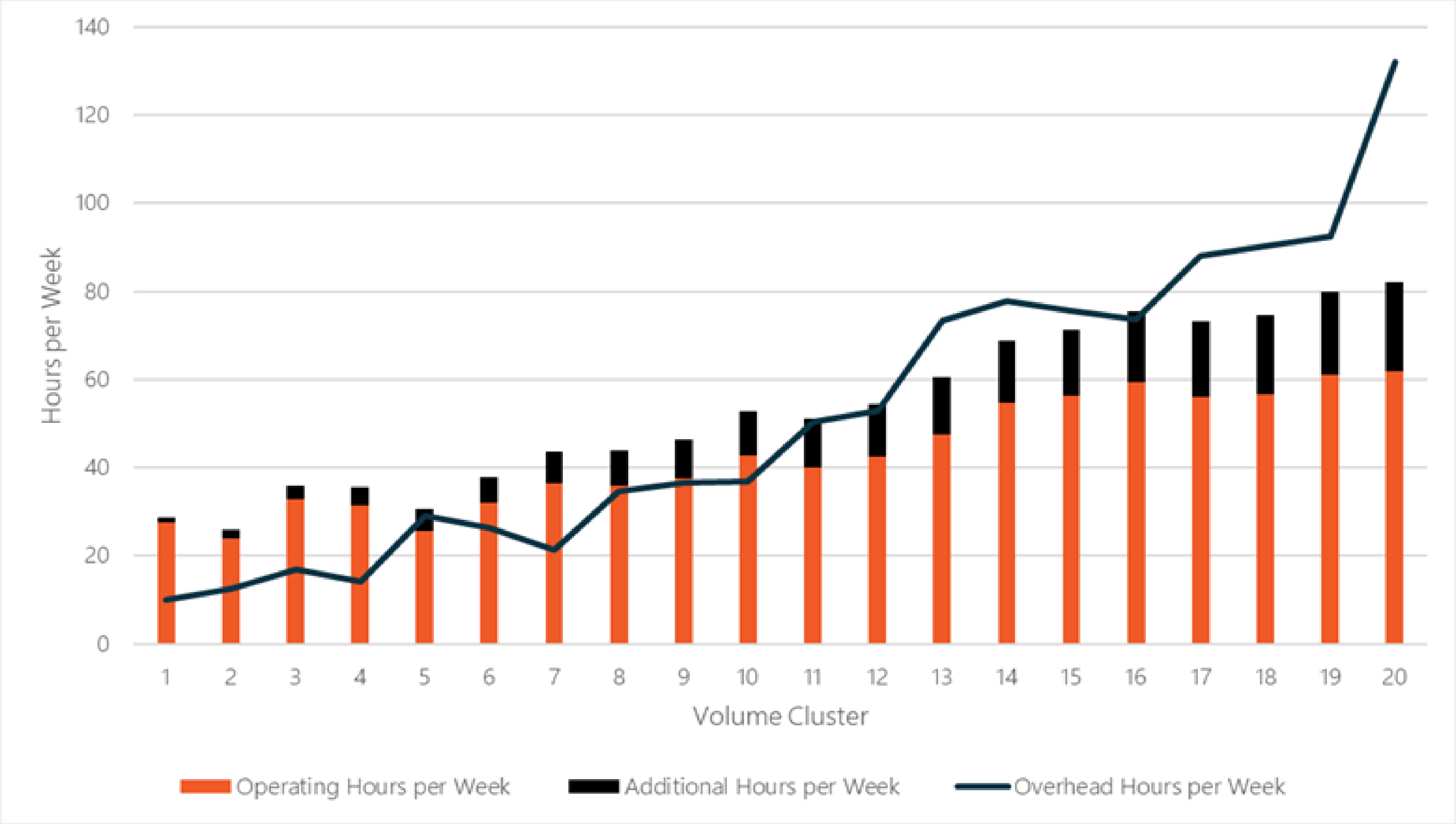
- **129,556 Collector Labour Hours at a total cost of $2.7 million prior to the collection costs cap**
- **Study System Collector Labour average of $20.98 per hour**
  - $20.05 per hour for small depots
  - $20.95 per hour for medium depots
  - $21.44 per hour for large depots

As Adjusted Overhead Labour

Depot Category	Total Hours	Total Dollars
Small	112,559	$ 2,870,996
Medium	192,550	$ 5,923,058
Large	258,491	$ 8,394,163
Total	**563,600**	**$ 17,188,216**

- **563,600 Overhead Labour Hours at a total cost of $17.2 million**
- **Study System Overhead Labour average of $30.50 per hour**
  - $25.51 per hour for small depots
  - $30.76 per hour for medium depots
  - $32.47 per hour for large depots

As Adjusted Overhead and Operating Hours



- In Clusters 13-15 and 17-20, Overhead Hours exceed Operating Hours
- This is due to larger depots with multiple managers working simultaneously

Phase I Report Overview

Building Costs

Building Costs Summary

	As Reported		As Accepted		As Adjusted	
	Total	Average	Total	Average	Total	Average
Use Costs	$ 4,975,527	$ 23,806	$ 5,004,976	$ 23,947	$ 8,938,193	$ 42,766
Lease Costs	$ 19,712,999	$ 94,321	$ 19,723,694	$ 94,372	$ 16,489,534	$ 78,897
Total	**$ 24,688,526**	**$ 118,127**	**$ 24,728,670**	**$ 118,319**	**$ 25,427,726**	**$ 121,664**

- **Total Building Costs: $25.4 million (up from As Reported $24.7 million)**
- **Adjustments due to:**
  - Square footage (BCMB Depot Building Size Cap Policy)
  - Lease Rate (Real Estate Expert CBRE)
- **CBRE rates applied to 13 building classifications**
  - Highest rate: Calgary Retail, $65.30/sqft
  - Lowest rate: Rural Hamlet, $16.90/sqft

Square Footage Cap

Building Volume Group	Volume Range		Number of Depots	Total System Square Feet	Maximum Square Feet Per Depot	Total System Adjusted Square Feet	% Reduction
1	-	2,999,999	64	133,797	3,500	133,137	0.5%
2	3,000,000	6,999,999	49	155,332	4,900	146,147	5.9%
3	7,000,000	24,999,999	90	521,618	7,500	506,154	3.0%
4	25,000,000	+	18	159,725	11,600	145,223	9.1%
Total	**-**	**25,000,000+**	**221**	**970,472**	**11,600**	**930,661**	**4.1%**

- In applying the Square Footage Cap, 4.1% of reported square footage was removed from the system

Phase I Report Overview

Vehicle Costs

Vehicle Costs Summary

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

- Total As Adjusted Vehicle Costs before application of Offsite Collections Cap: $4.4 million

Phase I Report Overview

Equipment Costs

Equipment Costs Summary

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

- **Total Study System Equipment Costs were $7.5 million:**
  - $5.1 million – Lease Payments
  - $1.3 million – Maintenance
  - $0.8 million – Amortization Expense
  - $0.1 million – Equipment Fuel
  - $0.2 million – Other

Phase I Report Overview

Overhead Costs

Overhead Costs Summary

	As Reported	As Accepted	As Adjusted
Overhead Costs	$ 17,721,195	$ 13,267,583	$ 12,811,237
Average Depot Cost	$ 84,790	$ 63,481	$ 61,298
Total Cost (¢) / Container	0.84	0.63	0.61

- **Total Study System Overhead Costs were $12.8 million**
- **Substantial Overhead expenses included:**
  - Office, Shop & Telephone: $2.7 million
  - Professional Fees: $1.6 million
  - Advertising & Marketing: $1.4 million
  - BCMB & ABDA Fees: $1.2 million
  - Bank Charges: $1.1 million

Phase I Report Overview

Collection Costs

2025/2026 Offsite Collections Cap Calculation

Category		Amount
Volume Escalator		
2024 AUR Target Year Volume		2,195,120,047
2025/26 HCR Target Year Volume		2,235,729,779
Volume Escalator		1.02
Labour Escalator		
2024 AUR As Adjusted Direct Labour Rate	$	20.88
2025/26 HCR As Adjusted Direct Labour Rate	$	21.14
Labour Escalator		1.01
Maximum Collection Costs		
2024 AUR Maximum Collection Costs	$	4,423,585
2025/26 HCR Maximum Collection Costs	**$**	**4,560,360**

- The Offsite Collections Cap was calculated using BCMB's Offsite Collections Policy
- 2024 additional data provided insight into Direct Labour and Vehicle Costs related to offsite collections
- Offsite Collections Cap: $4.6 million

Application of Offsite Collections Cap

	Total Adjusted Cost	Percent of Total	Application of Cap	Total Adjusted Cost (Less Collection Cap)
Table 9 Collection Costs	$ 1,069,639	18.4%	$ (229,179)	$ 840,460
Collector Labour	$ 2,717,833	46.8%	$ (582,319)	$ 2,135,514
Vehicle Costs	$ 1,692,616	29.2%	$ (362,657)	$ 1,329,959
Non-Labour Collection Costs	$ 323,805	5.6%	$ (69,378)	$ 254,427
Total	**$ 5,803,894**	**100.0%**	**$ (1,243,534)**	**$ 4,560,360**

- Applying the Offsite Collections Cap resulted in removing $1.2 million in offsite collection costs

Phase I Report Overview

Volume Forecast

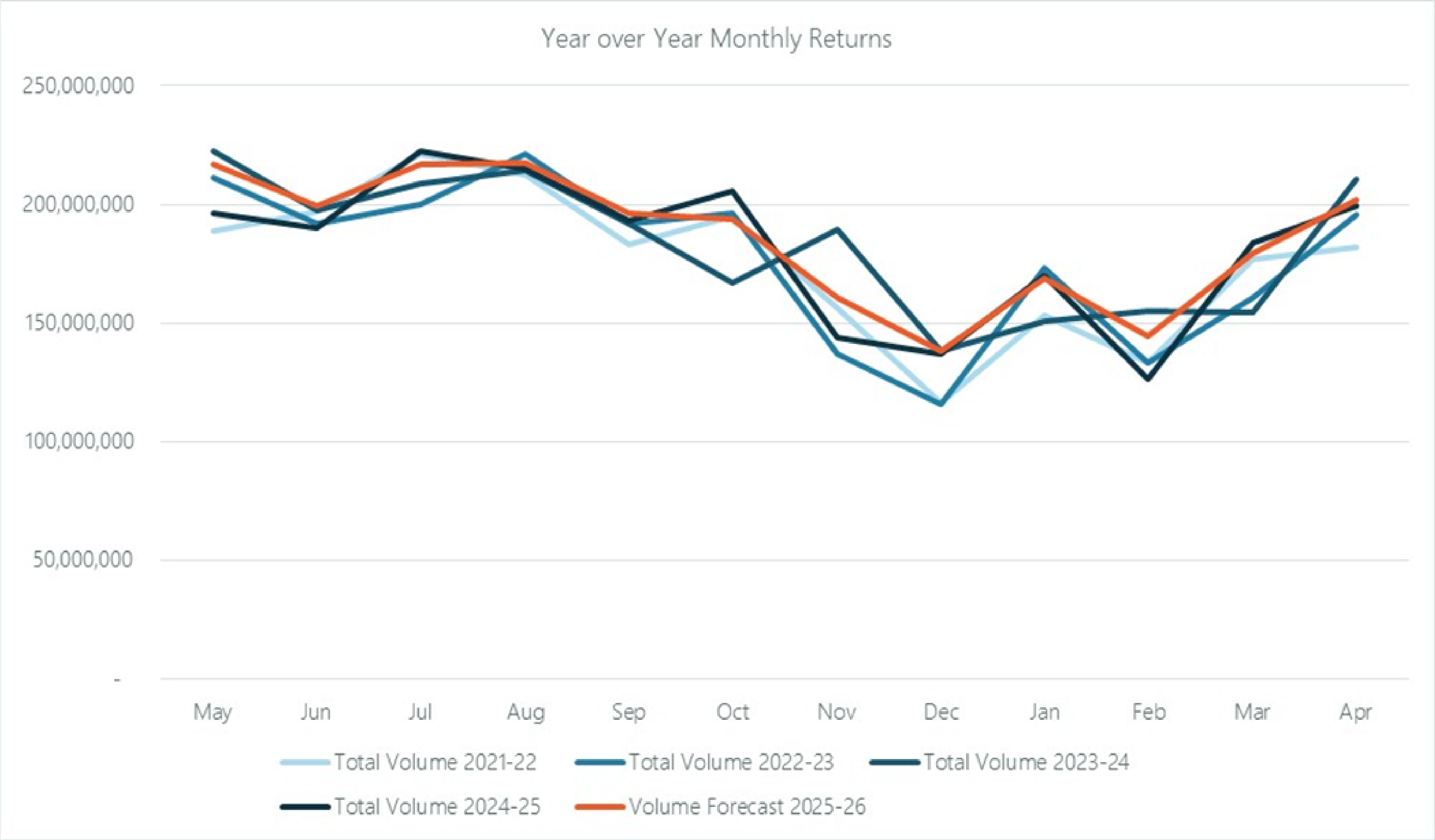
Forecast Methodology

TEST FORECASTING APPROACHES

EVALUATE FORECAST ACCURACY

GENERATE FORECASTS

Total System Forecast



- This chart shows the seasonality of container returns
- The 2025-26 Target Year volume forecast is **2,235,729,779** containers

Phase I Report Overview

System Summary

As Accepted Study System

		2024 Fiscal Year As Accepted
Net Revenue	$	122,570,443
Expenses		
Direct Labour	$	39,971,567
Collector Labour	$	2,692,901
Overhead Labour	$	15,760,854
Building	$	24,728,670
Equipment	$	7,459,130
Vehicle	$	4,588,339
Overhead	$	13,267,583
Total Expenses	**$**	**108,469,045**
Earnings Before Taxes	**$**	**14,101,398**

Total container volume:
2.10 billion

209 depots

Net income:
$14.1 million

As Adjusted Study System

		2024 Fiscal Year As Adjusted
Net Revenue	$	121,185,590
Expenses		
Direct Labour	$	39,058,884
Collector Labour	$	2,135,514
Overhead Labour	$	17,188,216
Building	$	25,427,726
Equipment	$	7,476,381
Vehicle	$	4,045,250
Overhead	$	12,512,680
Total Expenses	**$**	**107,844,652**
Earnings Before Taxes	**$**	**13,340,938**

Total container volume:
2.11 billion

209 depots

Net income:
$13.3 million

As Accepted Study System and As Adjusted Study System Comparison

Main Changes:

Collector labour reduction due application of offsite collections cap

Building increase based on real estate expert rate recommendations

Vehicle reduction based on removal of personal use vehicles

Overhead reduction in costs not associated with depot business

	As Accepted Study System	As Adjusted Study System	Difference
Net Revenue	$ 122,570,443	$ 121,185,590	$ (1,384,852)
Expenses			
Direct Labour	$ 39,971,567	$ 39,058,884	$ (912,683)
Collector Labour	$ 2,692,901	$ 2,135,514	$ (557,387)
Overhead Labour	$ 15,760,854	$ 17,188,216	$ 1,427,362
Building	$ 24,728,670	$ 25,427,726	$ 699,056
Equipment	$ 7,459,130	$ 7,476,381	$ 17,251
Vehicle	$ 4,588,339	$ 4,045,250	$ (543,089)
Overhead	$ 13,267,583	$ 12,512,680	$ (754,903)
Total Expenses	**$ 108,469,045**	**$ 107,844,652**	**$ (624,393)**
Earnings Before Taxes	**$ 14,101,398**	**$ 13,340,938**	**$ (760,459)**

Total System

		Total System
Net Revenue	$	123,301,304
Expenses		
Direct Labour	$	41,654,252
Collector Labour	$	2,201,016
Overhead Labour	$	18,170,449
Building	$	26,647,989
Equipment	$	8,049,156
Vehicle	$	4,225,334
Overhead	$	13,363,986
Total Expenses	**$**	**114,312,181**
Earnings Before Taxes	**$**	**8,989,123**

Total container volume:
2.25 billion

221 depots

Net income:
$9.0 million

As Adjusted Study System and Total System Comparison

Main Changes:

Increased number of depots causes increase in all expense categories

Reduction in net income due to expense increases outpacing revenue increases

	As Adjusted Study System	Total System	Difference
Net Revenue	$ 121,185,590	$ 123,301,304	$ 2,115,714
Expenses			
Direct Labour	$ 39,058,884	$ 41,654,252	$ 2,595,368
Collector Labour	$ 2,135,514	$ 2,201,016	$ 65,501
Overhead Labour	$ 17,188,216	$ 18,170,449	$ 982,232
Building	$ 25,427,726	$ 26,647,989	$ 1,220,263
Equipment	$ 7,476,381	$ 8,049,156	$ 572,775
Vehicle	$ 4,045,250	$ 4,225,334	$ 180,084
Overhead	$ 12,512,680	$ 13,363,986	$ 851,306
Total Expenses	**$ 107,844,652**	**$ 114,312,181**	**$ 6,467,529**
Earnings Before Taxes	**$ 13,340,938**	**$ 8,989,123**	**$ (4,351,815)**

Target Year System

		Target System (Current HC)
Net Revenue	$	131,646,159
Expenses		
Direct Labour	$	42,774,512
Collector Labour	$	2,260,252
Overhead Labour	$	18,738,346
Building	$	27,207,282
Equipment	$	8,265,762
Vehicle	$	4,339,002
Overhead	$	13,723,238
Total Expenses	**$**	**117,308,393**
Earnings Before Taxes	**$**	**14,337,766**

Total container volume: 2.24 billion

220 depots

Net income: $14.3 million

Total System and Target Year System Comparison

MNP

Main Changes:

Volume forecast for Target Year (different container mix)

Decrease of one small depot closed before the Target Year

Indices rates for quarter two of 2026

	Total System	Target System	Difference
Net Revenue	$ 123,301,304	$ 131,646,159	$ 8,344,855
Expenses			
Direct Labour	$ 41,654,252	$ 42,774,512	$ 1,120,260
Collector Labour	$ 2,201,016	$ 2,260,252	$ 59,236
Overhead Labour	$ 18,170,449	$ 18,738,346	$ 567,897
Building	$ 26,647,989	$ 27,207,282	$ 559,293
Equipment	$ 8,049,156	$ 8,265,762	$ 216,606
Vehicle	$ 4,225,334	$ 4,339,002	$ 113,668
Overhead	$ 13,363,986	$ 13,723,238	$ 359,252
Total Expenses	**$ 114,312,181**	**$ 117,308,393**	**$ 2,996,212**
Earnings Before Taxes	**$ 8,989,123**	**$ 14,337,766**	**$ 5,348,643**

Phase I Report Overview

2025/2026 Total System Revenue Requirement

Revenue Requirement

Target Year Revenue Requirement Calculation			
		Cost	Cost per Container (¢)
Revenue			
Net Revenue	$	131,646,159	5.89
Expenses			
Direct Labour	$	42,774,512	1.91
Contract Labour	$	2,260,252	0.10
Overhead Labour	$	18,738,346	0.84
Building	$	27,207,282	1.22
Equipment	$	8,265,762	0.37
Vehicle	$	4,339,002	0.19
Overhead	$	13,723,238	0.61
Total Operating Expenses	**$**	**117,308,393**	**5.25**
Total Return	**$**	**22,925,355**	**1.03**
Pre-Tax Return		5.93 %	
Revenue Requirement	**$**	**139,531,260**	**6.24**

Total revenue at current rates: $131.6 million

6.8% increase to handling commissions to achieve $139.5 million and 5.93% return margin

Phase II Overview

Purpose

Aluminum 0 – 1L	Bag in Box Over 1L	Bi-Metal 0 – 1L	Bi-Metal Over 1L	Drink Pouch 0 – 1L	Gable Top 0 – 1L	Gable Top Over 1L
Glass 0 – 1L	Glass Over 1L	High-Density Polyethylene Resin (HDPE) Plastics Natural Over 1L	Industry Standard Bottles	Liquor and Wine Ceramics	Molson Coors MGD Refillable 355ml	Moosehead
Other Plastics 0 – 1L	Other Plastics Over 1L	Polyethylene Terephthalate (PET) 0 – 1L	PET Over 1L	Plastic One-Way Keg Over 1L	Sleemans Refillable	Sleeve-in-a-Box 0 – 1L
Steam Whistle Refillable	Specialty Containers	Tetra Brik 0 – 1L	Tetra Brik Over 1			

The purpose of Phase II is to distribute the Target Year Revenue Requirement (as determined in the Phase I Report) to all active container streams.

Data Transition

Target Year Revenue Requirement

- From Phase I Report

Allocators

- Direct and collector labour allocator
- Volume allocator
- Pallet allocator
- Building allocator
- Overhead labour allocator
- Vehicle allocator
- Equipment allocator
- Business cost allocator
- Overhead allocator

Total Costs

- Direct and collector labour cost
- Overhead labour cost
- Building total cost
- Equipment total cost
- Vehicle total cost
- Overhead cost
- Return and miscellaneous revenue

Cost per container per cost type

- Direct and collector cost per container
- Overhead labour cost per container
- Building cost per container
- Equipment cost per container
- Vehicle cost per container
- Overhead cost per container
- Return and miscellaneous revenue per container

Total cost per container

- Total cost per container per container stream (e.g., Aluminum 0 – 1L, Other Plastics 0 – 1L, etc.)

Container Stream Revenue Requirement

Forecast Group	Container Stream	Target Year Volume	Target Year Handling Commissions *(¢/container)*	Current Handling Commissions *(¢/container)*	Percent Change	Change in ¢ per container
(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Aluminum 0 - 1 Litre	1,153,717,143	4.149	3.871	7.2%	0.278
	Bag in Box Over 1 Litre	869,331	34.161	45.566	-25.0%	-11.405
	Bi-Metal 0 - 1 Litre	2,674,516	15.694	9.589	63.7%	6.105
	Bi-Metal Over 1 Litre	305,915	31.758	21.166	50.0%	10.592
	Drink Pouch 0 - 1 Litre	4,165,989	9.786	8.174	19.7%	1.612
	Gable Top 0 - 1 Litre	41,244,412	8.750	8.014	9.2%	0.736
	Gable Top Over 1 Litre	25,011,740	14.854	15.466	-4.0%	-0.612
	Glass 0 - 1 Litre	118,259,717	8.816	9.063	-2.7%	-0.247
	Glass Over 1 Litre	4,670,908	19.857	18.134	9.5%	1.723
	HDPE Plastics Natural Over 1 Litre	54,704,052	17.267	18.191	-5.1%	-0.924
	Industry Standard Bottle	25,517,958	9.479	7.425	27.7%	2.054
	Liquor and Wine Ceramics	1,548	179.921	180.515	-0.3%	-0.594
	Molson Coors MGD Refillable 355ml	2,571,276	9.562	8.172	17.0%	1.390
	Moosehead	402,215	9.226	10.100	-8.6%	-0.874
	Other Plastics 0 - 1 Litre	99,383,388	7.144	5.969	19.7%	1.175
	Other Plastics Over 1 Litre	11,433,784	17.622	17.147	2.8%	0.475
	PET 0 - 1 Litre	548,659,489	5.674	5.168	9.8%	0.506
	PET Over 1 Litre	54,376,651	14.288	14.770	-3.3%	-0.482
	Plastic One-Way Keg Over 1 Litre	1,004	167.173	205.679	-18.7%	-38.506
	Sleemans Refillable	516,792	7.825	8.300	-5.7%	-0.475
	Sleeve-in-a-Box 0 - 1 Litre	-	22.960	22.960	0.0%	0.000
	Specialty Containers	-	3,149.000	3,149.000	0.0%	0.000
	Steam Whistle Refillable	51,103	9.437	9.808	-3.8%	-0.371
	Tetra Brik 0 - 1 Litre	86,610,831	7.738	6.017	28.6%	1.721
	Tetra Brik Over 1 Litre	580,017	19.431	18.753	3.6%	0.678
		2,235,729,779	**6.029**	**5.645**	**6.8%**	**0.384**

$

Handling Commission:
6.029 cents per container
(on average)

Plus the **DVHC: 1.5 cents** per container for first 1.5 million non-refillable

Questions?