

Western Canada Marine Response Corporation

Fee Justification Document
Proposed TMEP Bulk Oil Cargo Fees
January 1, 2024



INTRODUCTION:

This document details the manner in which the Trans Mountain Expansion Plan Bulk Oil Cargo fees have been calculated and provides supporting financial information.

TMEP Bulk Oil Cargo Fee ("TMEP BOCF")

- is determined on the basis of cost per tonne;
- the BOCF is calculated by multiplying a Bulk Oil Cargo Fee Rate ("TMEP BOCFR") by the applicable quantity of bulk oil loaded or unloaded at Trans Mountain's Westridge facility.
- the TMEP BOCFR is calculated by dividing the forecast annual *Net Expense (1)* of WCMRC by the forecast *Annual Volume (2)* of bulk oil cargo to be loaded or unloaded within Trans Mountain's Westridge facility.
- Net Expense (1) = Debt servicing + operating costs including depreciation + return on equity less revenue from forecasted registration fees and other revenues, plus/minus the previous years operating surplus/deficit.
- Annual Volume (2) = Total volume of bulk oil cargo unloaded + total volume of bulk oil loaded for international destinations at Trans Mountain's Westridge facility.
- Is independent of the Bulk Oil Cargo fee, which is applied to <u>all</u> volumes over WCMRC's Geographic Area of Response.

The above formula for the TMEP BOCFR was endorsed by the participants of the Multi-Stakeholder Consultation Meeting held in Toronto, June $1^{st} - 5^{th}$, 1998 and has been replicated for the TMEP BOCFR, adjusting only for specific volumes.

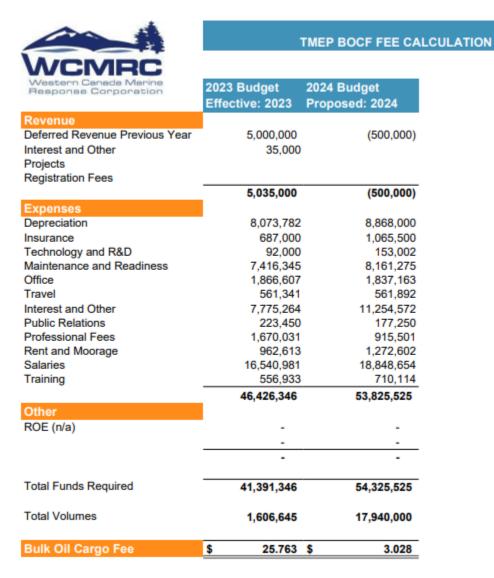
The TMEP BOCFR calculated by the above formula is applicable to all products except asphalt, which is not applicable to the TMEP BOCF.

TMEP Bulk Oil Cargo Fee Rate (TMEP BOCFR)

TMEP -BOCFR	GAZETTED effective January 1, 2023	PROPOSED effective January 1 st , 2024
Other Products	\$25.763	\$3.028



The basis for establishing the TMEP Bulk Oil Cargo Fee is as follows:





Notes:

1. Volumes

Based on predicted 2024 estimate volumes of 17,940,000 tonnes.

2. Revenue

Estimated excess of fees collected over funds spent in 2023. As we were over-budget in 2023, we have noted a negative deferral here.

3. <u>Depreciation</u>

Estimated based on existing and forecasted acquisitions for 2023 and 2024, based on estimated useful lives consistent with base business.

4. <u>Professional fees</u>

Fees paid to consultants and engineers to bring proposed bases to tender ready state and complete acquisitions of assets already in construction.