



# **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 all 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<sup>st</sup> – 5<sup>th</sup>, 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 <sup>st</sup> , 2024
Other Products	\$25.763	\$3.028

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

	TMEP BOCF FEE CALCULATION	
	2023 Budget Effective: 2023	2024 Budget Proposed: 2024
<b>Revenue</b>		
Deferred Revenue Previous Year	5,000,000	(500,000)
Interest and Other Projects Registration Fees	35,000	
	<b>5,035,000</b>	<b>(500,000)</b>
<b>Expenses</b>		
Depreciation	8,073,782	8,868,000
Insurance	687,000	1,065,500
Technology and R&D	92,000	153,002
Maintenance and Readiness	7,416,345	8,161,275
Office	1,866,607	1,837,163
Travel	561,341	561,892
Interest and Other	7,775,264	11,254,572
Public Relations	223,450	177,250
Professional Fees	1,670,031	915,501
Rent and Moorage	962,613	1,272,602
Salaries	16,540,981	18,848,654
Training	556,933	710,114
	<b>46,426,346</b>	<b>53,825,525</b>
<b>Other</b>		
ROE (n/a)	-	-
	-	-
	-	-
Total Funds Required	<b>41,391,346</b>	<b>54,325,525</b>
Total Volumes	<b>1,606,645</b>	<b>17,940,000</b>
<b>Bulk Oil Cargo Fee</b>	<b>\$ 25.763</b>	<b>\$ 3.028</b>

**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. Depreciation  
Estimated based on existing and forecasted acquisitions for 2023 and 2024, based on estimated useful lives consistent with base business.
  
4. Professional fees  
Fees paid to consultants and engineers to bring proposed bases to tender ready state and complete acquisitions of assets already in construction.