



Western Canada Marine Response Corporation

**Fee Justification Document
Proposed Crude Oil BOCF
January 1, 2025**

INTRODUCTION:

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

Crude Oil Bulk Oil Cargo Fee (“Crude BOCF”)

- is determined on the basis of cost per tonne;
- the Crude Oil BOCF is calculated by multiplying a Crude Oil Bulk Oil Cargo Fee Rate (“Crude BOCFR”) by the applicable quantity of bulk crude oil loaded or unloaded at Trans Mountain’s Westridge facility.
- the Crude Oil BOCFR is calculated by dividing the forecast annual *Net Expense (1)* of WCMRC by the forecast *Annual Volume (2)* of bulk crude oil 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. This amount shall include the portion of the net expense used in the Bulk Oil Cargo Fee calculation that pertains to an agreed upon base volume of crude oil.
- *Annual Volume (2)* = Total volume of crude bulk oil cargo unloaded + total volume of crude bulk oil loaded for international destinations at Trans Mountain’s Westridge facility. For the sake of clarity, this excludes jet fuel which is subject to the Bulk Oil Cargo Fee
- Is independent of the Bulk Oil Cargo fee, which is applied to all volumes over WCMRC’s Geographic Area of Response, except those crude volumes loaded or unloaded within Trans Mountain’s Westridge facility as described above.

The above formula for the Crude Oil BOCFR was endorsed by the participants of the Multi-Stakeholder Consultation Meeting held in Toronto, June 1st – 5th, 1998 but has been tailored for the Crude Oil BOCFR, adjusting only for specific volumes and cost allocations.

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

Crude Oil Bulk Oil Cargo Fee Rate (Crude BOCFR)

Crude Oil -BOCFR	Effective January 1, 2024	PROPOSED effective January 1 st , 2025
Other Products	\$1.926	\$2.439

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

Notes:

1. Volumes
Based on predicted 2025 estimated volumes of 22,662,940 tonnes plus 1,461,000 base crude tonnes.
2. Revenue
Estimated excess of fees collected over funds forecasted to be spent in 2024.
3. Depreciation
Estimated based on existing and forecasted acquisitions for 2024 and 2025, based on estimated useful lives consistent with base business.
4. Interest
Estimated based on a forecasted 5% rate for 2025.

