

APPENDIX III

2004

**ALBERTA
MACHINERY & EQUIPMENT
ASSESSMENT
MINISTER'S GUIDELINES**



ALBERTA

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ALBERTA
MINISTER OF MUNICIPAL AFFAIRS

Office of the Minister
MLA, Medicine Hat

MINISTERIAL ORDER NO. L:010/05

I, Rob Renner, Minister of *Municipal Affairs*, pursuant to sections 4(2), 7(2), 8(2), and 9(2) of the *Matters Relating to Assessment and Taxation Regulation (AR 220/2004)* make the following order:

- The 2004 Alberta *Farm Land Assessment Minister's Guidelines*,
- The 2004 Alberta *Linear Property Assessment Minister's Guidelines*,
- The 2004 Alberta *Machinery and Equipment Assessment Minister's Guidelines*,
- The 2004 Alberta *Railway Assessment Minister's Guidelines*, and
- The 2004 *Construction Cost Reporting Guide*

as set out in the attached consolidated document, are established and become effective for the 2005 and subsequent taxation years.

This Ministerial Order rescinds Ministerial Order No. L:153/03 upon this Ministerial Order coming into force and effect.

Dated at Edmonton, Alberta, this 20 day of January, 2005.



Rob Renner
Minister of Municipal Affairs

T A B L E O F C O N T E N T S

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1.001 DEFINITIONS

In the *2004 Alberta Machinery and Equipment Minister's Guidelines*,

- (a) **Act** means the *Municipal Government Act* (RSA 2000 Ch. M-26);
- (b) **assessment year** has the meaning given to it in the Regulation;
- (c) **assessment year modifier**, means the factor which is applied to the base cost of machinery and equipment in order to adjust its base cost to the assessment year;
- (d) **assessor** has the meaning given to it in the Act;
- (e) **base cost** means either
 - (i) the value resulting from the formula shown in Schedule A of the *2004 Machinery and Equipment Minister's Guidelines*, or
 - (ii) the value of *included costs* multiplied by the *cost factor*;
- (f) **cost factor (cf)** means a factor that adjusts the year built dollars to 1994 dollars;
- (g) **included costs (ic)** means the value of machinery and equipment calculated in accordance with the *2004 Construction Cost Reporting Guide*, prior to adjustment by the *cost factor*;
- (h) **machinery and equipment** has the meaning given to it in the Regulation.
- (i) **regulation** means the *Matters Relating to Assessment and Taxation Regulation* (AR 220/2004), as amended

1.002 CALCULATION OF ASSESSMENT

The assessment of machinery and equipment in a municipality shall be calculated by:

- (a) establishing the base cost as prescribed in Schedule A of the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines*;
- (b) multiplying the base cost by the appropriate assessment year modifier prescribed in Schedule B of the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines* to adjust the base cost to the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines*;
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines*.

1.003 MINISTERIAL PRESCRIPTION

For the purposes of Minister's Guidelines and section 1(j) of the Regulation, it is hereby prescribed that the cost of all computer software, including both basic software and applications software, intended for or used in connection with the monitoring, control or operation of any assessable property shall be included in the base cost of the property which is otherwise assessable.

2.000 SCHEDULE A –BASE COST**2.001 MACHINERY AND EQUIPMENT NOT DESCRIBED IN SCHEDULE A**

The cost factors in Table 1 and the formula below shall be used to determine the base cost for machinery and equipment that is not described in Schedule A.

Formula: Base Cost = ic X cf

Where ic = the cost of machinery and equipment determined in accordance with the 2004 Construction Cost Reporting Guide.

cf = the cost factor to convert the cost of the machinery and equipment from the year it was constructed in to its cost in 1994.

2.001.100 TABLE 1—COST FACTORS

Year of Construction	Cost Factor	Year of Construction	Cost Factor	Year of Construction	Cost Factor
1913	18.86	1944	9.71	1975	2.43
1914	19.51	1945	9.63	1976	2.14
1915	19.88	1946	8.93	1977	1.96
1916	18.35	1947	8.30	1978	1.78
1917	15.57	1948	7.94	1979	1.57
1918	13.56	1949	7.95	1980	1.40
1919	11.97	1950	7.73	1981	1.24
1920	9.80	1951	6.94	1982	1.16
1921	10.87	1952	6.50	1983	1.28
1922	11.78	1953	6.12	1984	1.34
1923	11.48	1954	6.05	1985	1.30
1924	11.61	1955	6.00	1986	1.30
1925	11.79	1956	5.76	1987	1.26
1926	11.89	1957	5.56	1988	1.24
1927	11.90	1958	5.45	1989	1.18
1928	11.62	1959	5.39	1990	1.13
1929	11.18	1960	5.34	1991	1.07
1930	11.57	1961	5.30	1992	1.05
1931	12.46	1962	5.29	1993	1.03
1932	13.43	1963	5.26	1994	1.00
1933	14.08	1964	5.05	1995	0.98
1934	13.87	1965	4.86	1996	0.97
1935	13.73	1966	4.68	1997	0.94
1936	13.34	1967	4.29	1998	0.91
1937	12.49	1968	4.48	1999	0.88
1938	12.72	1969	4.39	2000	0.88
1939	12.60	1970	3.97	2001	0.85
1940	11.96	1971	3.82	2002	0.84
1941	10.91	1972	3.53	2003	0.82
1942	9.99	1973	3.31	2004	0.78
1943	9.77	1974	2.93		

2.005 MACHINERY AND EQUIPMENT DESCRIBED IN SCHEDULE A

The rates in Schedule A reflect typical costs for field installations of component types. These rates apply to each component type regardless of the exact configuration of the system.

The rates for property described in Schedule A must be used to determine the base cost for that property and no changes or adjustments to the rates are permissible.

The base cost for machinery & equipment described in Schedule A is determined as follows:

- 1) select the component category (e.g. Tanks, Steel Bolted);
- 2) select the specific component (e.g. Size, Type) to identify the base rate; and,
- 3) multiply the base rate by the quantity.

2.010 TANKS**2.010.100 STEEL BOLTED, WELDED, OR POP TANKS—ABOVE GROUND**

Size (m ³)	Diameter (bbl)	Diameter (m)	Height (m)	Base Rate (\$)
8	50	2.36	1.83	7 850
14	90	2.41	3.05	8 700
16	100	2.90	2.44	9 000
33	210	3.05	4.57	12 550
48	300	3.66	4.57	14 650
64	400	3.66	6.10	15 200
79	500 (Low)	6.55	2.44	18 050
79	500 (High)	4.72	4.88	17 100
119	750	4.72	7.32	19 900
159	1 000 (Low)	9.07	2.44	24 400
159	1 000 (High)	6.55	4.88	24 400
238	1 500	6.55	7.32	29 100
318	2 000	9.07	4.88	34 950
397	2 500	9.07	6.10	80 300
477	3 000	9.07	7.32	94 000
636	4 000	10.52	7.32	120 400
795	5 000	11.79	7.32	146 700
1 590	10 000	16.76	7.32	259 450
3 179	20 000	20.42	9.75	345 800

Rates include: flat bottom, cone deck
 flush-type cleanout door
 thief hatch and vacuum relief
 standard nozzles, manways and cleanouts
 flanges, valves and piping
 foundation bands and painting
 installation

Note: 1 barrel (Oil, 42 US Gallons) = 0.158 987 m³

2.010.200 STAIRWAYS—WALKWAYS—STILES

Stairway		Base Rate (\$ per m)
4.3 m of rise or less		395
Over 4.3 m of rise		370

Walkways or platforms		Base Rate (\$ per m)
1.2 m wide metal		280

Stiles		Base Rate (\$)
Per stile over berm		1 050

Rates include: paint and installation

2.010.300 STEEL WELDED UNDERGROUND TANKS

Volume (l)	(gal.)	(bbl)	Base Rate (\$)
2 505	550	16	7 550
5 005	1 100	31	7 900
9 810	2 156	62	13 400
15 015	3 300	94	13 950
25 025	5 500	157	23 150
35 035	7 700	220	24 800
50 050	11 000	315	37 650

Rates include: excavation and backfill
hold downs and concrete
piping, flanges and valves
installation

2.010.400 TANKS—INSULATION AND COATINGS

Insulation (mm)	Coating Type	Base Rate (\$ per m ²)
	Epoxy internal coating	45.50
50.0	Fibreglass, c/w metal cladding	76.50
76.0	Fibreglass, c/w metal cladding	89.50
51.0	Urethane for fibreglass tanks c/w	32.50
6.35	Diathon coating	
25.0	Urethane Insulation, c/w sealer	45.00
38.0	Urethane Insulation, c/w sealer	48.00
50.0	Urethane Insulation, c/w sealer	51.50
63.0	Urethane Insulation, c/w sealer	56.00
76.0	Urethane Insulation, c/w sealer	60.00

Rates include: surface preparation
installation

Note: Use the following formula to find the area of tank to be covered:

Horizontal Tank:

$$\text{Area} = (2 \times 3.14 \times r^2) + (2 \times 3.14 \times r \times l)$$

Vertical Tank:

$$\text{Area} = (1 \times 3.14 \times r^2) + (2 \times 3.14 \times r \times h)$$

Vertical Tank:

$$\text{Area} = 1 \text{ end only and cylinder}$$

Where: r = radius

l = length

h = height

2.010.420 STEEL TANKS—FIBREGLASS INSULATION (50 MM)

Size (bbl)	Diameter X Height (m x m)	Base Rate (\$ per 50 mm)
50	2.36 x 1.83	1 350
90	2.41 x 3.05	2 100
100	2.90 x 2.44	2 200
210	3.05 x 4.57	3 900
300	3.66 x 4.57	4 800
400	3.66 x 6.10	6 150
500(Low)	6.55 x 2.44	6 400
500(High)	4.72 x 4.88	6 850
750	4.72 x 7.32	9 650
1 000 (Low)	9.07 x 2.44	10 250
1 000 (High)	6.55 x 4.88	10 250
1 500	6.55 x 7.32	14 100
2 000	9.07 x 4.88	15 550
2 500	9.07 x 6.10	18 250
3 000	9.07 x 7.32	20 900
4 000	10.52 x 7.32	25 150
5 000	11.79 x 7.32	29 100
10 000	16.76 x 7.32	46 350
20 000	20.42 x 9.75	72 850

2.010.430 STEEL TANKS—FIBREGLASS INSULATION (76 MM)

Size (bbl)	Diameter X Height (m x m)	Base Rate (\$ per 76 mm)
50	2.36 x 1.83	1 600
90	2.41 x 3.05	2 450
100	2.90 x 2.44	2 600
210	3.05 x 4.57	4 550
300	3.66 x 4.57	5 650
400	3.66 x 6.10	7 200
500(Low)	6.55 x 2.44	7 500
500(High)	4.72 x 4.88	8 050
750	4.72 x 7.32	11 300
1 000 (Low)	9.07 x 2.44	12 000
1 000 (High)	6.55 x 4.88	12 000
1 500	6.55 x 7.32	16 500
2 000	9.07 x 4.88	18 200
2 500	9.07 x 6.10	21 350
3 000	9.07 x 7.32	24 450
4 000	10.52 x 7.32	29 400
5 000	11.79 x 7.32	34 000
10 000	16.76 x 7.32	54 200
20 000	20.42 x 9.75	85 250

Note: Use the following formula to calculate the area covered by the tank:

$$\text{Area} = (1 \times 3.14 \times r^2) + (2 \times 3.14 \times r \times h)$$

Where: r = radius

h = height

2.010.500 STEEL TANKS—URETHANE INSULATION (25 MM)

Size (bbl)	Diameter X Height (m x m)	Base Rate (\$ per 25 mm)
50	2.36 x 1.83	800
90	2.41 x 3.05	1 250
100	2.90 x 2.44	1 300
210	3.05 x 4.57	2 300
300	3.66 x 4.57	2 850
400	3.66 x 6.10	3 650
500(Low)	6.55 x 2.44	3 750
500(High)	4.72 x 4.88	4 050
750	4.72 x 7.32	5 650
1 000 (Low)	9.07 x 2.44	6 050
1 000 (High)	6.55 x 4.88	6 050
1 500	6.55 x 7.32	8 300
2 000	9.07 x 4.88	9 150
2 500	9.07 x 6.10	10 700
3 000	9.07 x 7.32	12 300
4 000	10.52 x 7.32	14 800
5 000	11.79 x 7.32	17 100
10 000	16.76 x 7.32	27 250
20 000	20.42 x 9.75	42 850

2.010.510 STEEL TANKS—URETHANE INSULATION (38 MM)

Size (bbl)	Diameter X Height (m x m)	Base Rate (\$ per 38 mm)
50	2.36 x 1.83	850
90	2.41 x 3.05	1 350
100	2.90 x 2.44	1 400
210	3.05 x 4.57	2 450
300	3.66 x 4.57	3 050
400	3.66 x 6.10	3 850
500(Low)	6.55 x 2.44	4 050
500(High)	4.72 x 4.88	4 300
750	4.72 x 7.32	6 050
1 000 (Low)	9.07 x 2.44	6 450
1 000 (High)	6.55 x 4.88	6 450
1 500	6.55 x 7.32	8 850
2 000	9.07 x 4.88	9 750
2 500	9.07 x 6.10	11 450
3 000	9.07 x 7.32	13 100
4 000	10.52 x 7.32	15 800
5 000	11.79 x 7.32	18 250
10 000	16.76 x 7.32	29 100
20 000	20.42 x 9.75	45 700

2.010.520 STEEL TANKS—URETHANE INSULATION (50 MM)

Size (bbl)	Diameter X Height (m x m)	Base Rate (\$ per 50 mm)
50	2.36 x 1.83	900
90	2.41 x 3.05	1 400
100	2.90 x 2.44	1 500
210	3.05 x 4.57	2 650
300	3.66 x 4.57	3 250
400	3.66 x 6.10	4 150
500(Low)	6.55 x 2.44	4 300
500(High)	4.72 x 4.88	4 650
750	4.72 x 7.32	6 500
1 000 (Low)	9.07 x 2.44	6 900
1 000 (High)	6.55 x 4.88	6 900
1 500	6.55 x 7.32	9 500
2 000	9.07 x 4.88	10 500
2 500	9.07 x 6.10	12 250
3 000	9.07 x 7.32	14 050
4 000	10.52 x 7.32	16 950
5 000	11.79 x 7.32	19 600
10 000	16.76 x 7.32	31 200
20 000	20.42 x 9.75	49 050

Note: Use the following formula to calculate the area covered by the tank:

$$\text{Area} = (1 \times 3.14 \times r^2) + (2 \times 3.14 \times r \times h)$$

Where: r = radius

h = height

2.010.600 FIBREGLASS TANKS—VERTICAL

Size (m ³)	(bbl)	Base Rate (\$)
14.0	90	20 150
33.0	210	25 500
48.0	300	29 750
64.0	400	34 100
80.0	500	38 350
119.0	750	51 550

2.010.620 FIBREGLASS TANKS—UNDERGROUND

Size (m ³)	(bbl)	Base Rate (\$)
2.3	14	9 400
4.6	29	10 200
7.9	50	13 050
16.0	100	16 500
32.0	200	26 550

Rates include: standard manway, nozzles and valves
reinforcement installation

2.010.640 FIBREGLASS TANKS—INSULATION

Size (m ³)	(bbl)	Base Rate (\$)
14.0	90	900
16.0	100	950
33.0	210	1 650
48.0	300	2 050
64.0	400	2 600
80.0	500	2 750
119.0	750	4 100

Rates include: 51.0 mm urethane with
6.35 mm Diathon coating
preparation and installation

2.010.700 STEEL POP TANKS—RECTANGULAR

Size (m ³)	(bbl)	Base Rate (\$)
8.0	50	8 900
16.0	100	10 200
33.0	210	16 350
64.0	400	19 450

Rates include: painting and steel skids

2.010.720 LPG STEEL TANKS

Size (m ³)	(US gal.)	Base Rate (\$)
1.9	500	3 750
3.8	1 000	6 200
5.7	1 500	18 850
8.0	2 000	22 650
19.0	5 000	49 550
34.0	9 100	55 900
45.0	12 000	63 200
68.0	18 000	76 600
114.0	30 000	96 750

Rates include: manway, piping and flanges
valves and instrumentation
foundation and installation

Note: one US gallon equals 3.8 litres.

Steel ladder and Platform	Base Rate (\$)
Add each	3 300

2.010.800 STEEL CHEMICAL STORAGE TANKS

Size (l)	(Imp. gal.)	Base Rate (\$)
1 365	300	1 550
2 275	500	1 700
4 550	1 000	2 650

Rates include: painting and installation

2.010.820 PLASTIC CHEMICAL STORAGE TANKS

Size (l)	(Imp. gal.)	Base Rate (\$)
410	90	1 650
819	180	1 800
910	200	1 850
1 000	220	1 900
1 365	300	2 050
2 275	500	2 300
3 412	750	2 950
4 550	1 000	3 150
6 825	1 500	4 150

Rates include: piping, valves, stand, and straps
Installation

2.020 HEATERS, GAUGES, AND SWITCHES**2.020.100 TANK HEATERS**

Rating (kW)	(Btu)	Base Rate (\$)
73 kW & smaller	250 000	3 300
147 kW	500 000	3 750

Rates include: flame arrestor
stack
burning equipment
installation

Note: 3412.14 Btu/h = 1 kW

2.020.200 INDIRECT FIRED LINE HEATERS

Rating (kW)	(Btu/h)	Diameter (mm)	Length (m)	Base Rate (\$)
73	250 000	610	2.3	20 600
147	500 000	660	3.5	23 500
220	750 000	762	4.1	26 150
293	1 000 000	914	4.4	30 850
440	1 500 000	1 118	5.6	36 900
586	2 000 000	1 219	6.6	52 450
879	3 000 000	1 524	7.5	66 350
1 172	4 000 000	1 829	8.4	87 300
1 465	5 000 000	2 134	8.7	127 450
1 758	6 000 000	2 337	8.7	169 200

Rates include: fire tube, burners and pilot
flame arrestor, stack and fuel gas manifold
fuel gas scrubber, ball valve, PSV and pressure gauge
values, regulator, temperature controller
high temperature switch, thermometer and expansion drum
thief hatch, gauge glass and insulation
skids and installation

Note: 3412.14 Btu/h = 1 kW
Direct Heaters are considered obsolete

2.020.300 TANK GAUGES

Type	Base Rate (\$)
Varec 2500 automatic	3 150

Rates include: aluminium gauge head
guide piping, elbows,
brackets and anchor bar
installation

2.020.400 LEVEL SWITCHES

Type	Base Rate (\$)
Roof Mount	1 600
Static Pressure Sensing	1 400

Rates include: electrical tubing, valves and flanges installation

2.030 TREATERS**2.030.100 VERTICAL**

Diameter		Height		Pressure		Base Rate
(m)	(ft)	(m)	(ft)	(kPa)	(psi)	(\$)
1.22	4	6.1	20.0	345	50	51 000
1.22	4	8.4	27.5	345	50	56 350
1.83	6	6.1	20.0	345	50	56 950
1.83	6	8.4	27.5	345	50	63 250
2.44	8	6.1	20.0	345	50	74 050
2.44	8	8.4	27.5	345	50	83 100
3.05	10	6.1	20.0	345	50	86 700
3.05	10	8.4	27.5	345	50	98 000
1.22	4	6.1	20.0	517	75	56 300
1.22	4	8.4	27.5	517	75	62 350
1.83	6	6.1	20.0	517	75	63 100
1.83	6	8.4	27.5	517	75	70 200
2.44	8	6.1	20.0	517	75	82 400
2.44	8	8.4	27.5	517	75	92 550
3.05	10	6.1	20.0	517	75	96 800
3.05	10	8.4	27.5	517	75	109 500

Rates include: fire tube, flame arrestor, stack, anodes, fuel gas system c/w scrubber, thermostats, regulators and valves, ladder, crownsnest water siphon, thermometer, pressure gauge, gauge glass, water outlet valve, oil outlet valve, oil, gas and water meters, gas back pressure valve, relief valve, insulation, skid, and installation

Note: 6.894757 pound force per square inch = 1 kPa

2.030.200 MECHANICAL–HORIZONTAL

Diameter (m)	(ft)	Height (m)	(ft)	Pressure (kPa)	(psi)	Base Rate (\$)
1.83	6	6.1	20	345	50	113 950
2.44	8	6.1	20	345	50	126 950
2.44	8	7.6	25	345	50	140 900
2.44	8	9.1	30	345	50	188 650
3.05	10	9.1	30	345	50	202 050
3.05	10	12.2	40	345	50	218 650
3.05	10	15.2	50	345	50	233 550
3.05	10	21.3	70	345	50	303 100
1.83	6	6.1	20	517	75	126 050
2.44	8	6.1	20	517	75	139 050
2.44	8	7.6	25	517	75	146 950
2.44	8	9.1	30	517	75	200 750
3.05	10	9.1	30	517	75	214 150
3.05	10	12.2	40	517	75	230 750
3.05	10	15.2	50	517	75	257 750
3.05	10	21.3	70	517	75	327 300

2.030.300 ELECTROSTATIC/DUAL POLARITY–HORIZONTAL

Diameter (m)	(ft)	Height (m)	(ft)	Pressure (kPa)	(psi)	Base Rate (\$)
1.83	6	6.1	20	345	50	134 250
2.44	8	6.1	20	345	50	147 300
2.44	8	7.6	25	345	50	161 250
2.44	8	9.1	30	345	50	208 950
3.05	10	9.1	30	345	50	228 450
3.05	10	12.2	40	345	50	245 050
3.05	10	15.2	50	345	50	263 200
3.05	10	21.3	70	345	50	332 750
1.83	6	6.1	20	517	75	146 350
2.44	8	6.1	20	517	75	159 400
2.44	8	7.6	25	517	75	167 300
2.44	8	9.1	30	517	75	221 050
3.05	10	9.1	30	517	75	240 550
3.05	10	12.2	40	517	75	257 150
3.05	10	15.2	50	517	75	287 400
3.05	10	21.3	70	517	75	356 950

Rates include: fire tube, flame arrestor, stack, anodes,
fuel gas system c/w scrubber, thermostats,
regulators and valves
ladder, crow's nest water siphon,
thermometer, pressure gauge, gauge glass,
water outlet valve, oil outlet valve,
oil, gas and water meters,
gas back pressure valve, relief valve,
insulation, skid, and installation

Note: 6.894757 pound force per square inch = 1 kPa.

2.040

SEPARATORS

2.040.100

VERTICAL 2-PHASE

862–1896 kPa (125 psi - 275 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
300	12	1.5	5.0	27 500
400	16	1.5	5.0	28 150
500	20	1.5	5.0	28 750
600	24	1.5	5.0	34 200
750	30	1.5	5.0	36 250
900	36	1.5	5.0	38 300
400	16	2.3	7.5	28 950
500	20	2.3	7.5	29 600
600	24	2.3	7.5	35 200
750	30	2.3	7.5	37 350
900	36	2.3	7.5	39 550

5102 kPa (740 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
400	16	1.5	5.0	28 750
500	20	1.5	5.0	29 950
600	24	1.5	5.0	35 400
750	30	1.5	5.0	37 600

10204 kPa (1480 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
400	16	1.5	5.0	29 200
500	20	1.5	5.0	30 800
600	24	1.5	5.0	37 100
750	30	1.5	5.0	39 550
400	16	2.3	7.5	29 950
500	20	2.3	7.5	31 750
600	24	2.3	7.5	37 850
750	30	2.3	7.5	40 400
900	36	2.3	7.5	42 900

2.040.200 VERTICAL 3-PHASE

862–1896 kPa (125 psi – 275 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
400	16	2.3	7.5	32 700
500	20	2.3	7.5	33 300
600	24	2.3	7.5	39 750
750	30	2.3	7.5	41 900
900	36	2.3	7.5	44 100
1 200	48	2.3	7.5	49 700
500	20	3.0	10.0	34 400
600	24	3.0	10.0	41 050
900	36	3.0	10.0	45 650
1 200	48	3.0	10.0	51 400
1 500	60	3.0	10.0	56 600

10204 kPa (1480 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
400	16	2.3	7.5	33 650
500	20	2.3	7.5	35 500
600	24	2.3	7.5	42 400
900	36	2.3	7.5	47 450
1 200	48	2.3	7.5	75 000
400	16	3.0	10.0	35 750
600	24	3.0	10.0	45 050
900	36	3.0	10.0	50 750
1 200	48	3.0	10.0	80 950

2.040.300 HORIZONTAL 2-PHASE

862–1896 kPa (125 psi - 275 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
600	24	3.0	10.0	25 650
750	30	3.0	10.0	27 800
900	36	3.0	10.0	29 900

10204 kPa (1480 psi)				
Diameter		Height		Base Rate
(mm)	(in.)	(m)	(ft)	(\$)
500	20	3.0	10.0	25 700
600	24	3.0	10.0	29 300
750	30	3.0	10.0	32 000
900	36	3.0	10.0	34 700

2.040.400 HORIZONTAL 3-PHASE

862–1896 kPa (125 psi - 275 psi)				
Diameter (mm)	(in.)	Height (m)	(ft)	Base Rate (\$)
600	24	3.0	10.0	32 600
750	30	3.0	10.0	34 750
900	36	3.0	10.0	36 850

10204 kPa (1480 psi)				
Diameter (mm)	(in.)	Height (m)	(ft)	Base Rate (\$)
600	24	3.0	10.0	36 250
750	30	3.0	10.0	39 000
900	36	3.0	10.0	41 700

Rates include: liquid dump valves, block valves and fittings
 level controllers and high level switch
 gas valve pipe and fittings
 PSV, pressure gauge and gauge glass
 water boot (on 3 Phase horizontal)
 senior orifice fitting and meter run
 flow recorder
 skids and saddles
 thermometer and installation

2.040.500 VERTICAL CENTRIFUGAL/RECYCLING

10204 kPa (1480 psi ²)				
Diameter (mm)	(in.)	Height (m)	(ft)	Base Rate (\$)
150	6	1.5	5.0	30 850
200	8	1.5	5.0	36 700
300	12	1.5	5.0	41 900
400	16	2.6	8.5	51 850
600	24	3.7	12.0	90 300
800	32	4.6	15.0	114 350

Rates include: gas back pressure valve and controller
 flow recorder and valve manifold
 senior orifice fitting and meter run
 pressure relief valve
 water level controller and gauge
 water dump valve and flow meter
 temperature and pressure gauges
 gas regulators, filter and scrubber
 ball valves piping and flanges
 installation

Note: Use the following table to cross reference ANSI ratings to working pressure:

WORKING PRESSURE**Service Temperature****-28.9 to 37.8C (-20 to 100F)**

ANSI	kPa	psi
150	1 896	275
300	5 102	740
600	10 204	1 480
900	14 893	2 160
1 500	24 821	3 600
2 500	41 369	6 000

Note: Pound (force) per square inch x 6.894 757 = kPa.

2.040.600**ENVIRONMENTAL LOW STAGE SEPARATOR TANK UNITS**

Size (bbl)	Base Rate (\$)
50	46 750
100	71 550

Rates include: sand frac flow back vessel
 piping and frac tees
 75 or 100 mm meter run
 dry flow meter
 sand diffuser
 ladder, hatches and pad
 installation

2.040.700**PRE-FABRICATED ENVIRONMENTAL BATTERY UNITS**

Low pressure Unit (48kPa)	Lines & Meter Runs (mm)	Base Rate (\$)
Standard Unit unheated	50	42 600
Standard Unit unheated	75	44 250
Heated Unit	50	47 550
Heated Unit	75	49 200
Treating Unit	50	60 750
Treating Unit	75	62 400
Companion Storage Tank	add each	25 400

Standard Unit

Rates include: 500 barrel used railway oil tank car horizontal separator
 high level and high pressure shut off valves
 dry flow recorders and fluid level indicators
 flow lines, meter, flare lines
 100 mm x12.2 m flare stack, ignition and arrestor
 steel skids and saddles
 weir plank pad and installation

Heated Unit

Rates include: 250 mm fire tube, burner and pilot light
 500 barrel used railway oil tank car horizontal separator
 high level and high pressure shut off valves
 dry flow recorders and fluid level indicators
 flow lines, meter, flare lines
 100 mm x12.2 m flare stack, ignition and arrestor
 steel skids and saddles
 weir plank pad and installation

Treating Unit

Rates include: degassers and down comers
 spreader pan and baffle plates
 individual fluid level gauges for oil, gas and water
 500 barrel used railway oil tank car horizontal separator
 high level and high pressure shut off valves
 dry flow recorders and fluid level indicators
 flow lines, meter, flare lines
 100 mm x12.2 m flare stack, ignition and arrestor
 steel skids and saddles
 weir plank pad and installation

Companion Storage Tank

Rates include: extension of site work, weir, pad and installation
 steel skids and saddles
 connecting piping to main unit
 meters, valves and indicators

High Pressure Unit (345 kPa)	Lines & Meter Runs (mm)	Base Rate (\$)
Standard Unit, Unheated	75	110 050

Rates include: 500 barrel welded tank, horizontal separator
 high level and high pressure shut off valves
 dry flow recorders and fluid level indicators
 flow lines, meter, flare lines
 100 mm x12.2 m flare stack, ignition and arrestor
 steel skids and saddles
 weir plank pad and installation

2.050

FUEL GAS SCRUBBERS

	Base Rate (\$)
All Sizes	2 500

Rates include: block valve, shutoff valve
 relief valve and pressure gauge
 piping and high level switch
 installation

2.060 FREE WATER KNOCKOUTS

Diameter (m)	(ft)	Length (m)	(ft)	Base Rate (\$)
1.83	6.0	3.0	10.0	105 450
1.83	6.0	4.6	15.0	111 500
2.44	8.0	4.6	15.0	123 600
3.05	10.0	6.1	20.0	150 150
3.05	10.0	9.1	30.0	162 250
3.05	10.0	12.2	40.0	237 800

Rates include: dump valve
 block valve
 pipe fittings and flanges
 level controllers
 gas back pressure valve
 gauge glass and pressure gauge
 PSV and thermometer
 skids and installation

2.070 GAS BOOTS

Diameter (mm)	(in.)	Base Rate (\$)
600	24	28 700
750	30	31 500
900	36	33 500
1 050	42	38 050
1 200	48	40 600
1 500	60	45 950

Rates include: guy wires
 pressure gauge, PSV and block valve
 piping, flanges and fittings
 steel caged ladder and top platform
 foundation and installation

Note: Average heights used are 9.1 to 12.2 m (30 to 40 feet).

2.080 FLARE SYSTEMS**2.080.100 VENT STACKS 100 MM (4 IN.) STACK**

Height (m)	(ft)	Base Rate (\$)
9.1	30	11 050
12.2	40	11 250
15.2	50	11 650
18.3	60	15 250

2.080.120 VENT STACKS 150 MM (6 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	14 250
12.2	40	14 500
15.2	50	14 850
18.3	60	16 200

2.080.140 VENT STACKS 203 MM (8 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	17 500
12.2	40	17 750
15.2	50	18 100
18.3	60	20 750

2.080.200 FLARE STACKS PILOT & SHOTTUBE 100 MM (4 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	13 200
12.2	40	13 450
15.2	50	13 950
18.3	60	17 700

2.080.220 FLARE STACKS PILOT & SHOTTUBE 150 MM (6 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	16 450
12.2	40	16 650
15.2	50	17 150
18.3	60	19 700

2.080.240 FLARE STACKS PILOT & SHOTTUBE 200 MM (8 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	19 650
12.2	40	19 900
15.2	50	20 650
18.3	60	23 150

2.080.300 FLARE STACKS—MANUAL OR AUTOMATIC OR SOLAR IGNITER 100 MM (4 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	15 300
12.2	40	15 950
15.2	50	16 550
18.3	60	20 500

2.080.320 FLARE STACKS—MANUAL OR AUTOMATIC OR SOLAR IGNITER 150 MM (6 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	18 550
12.2	40	19 150
15.2	50	19 750
18.3	60	22 550

2.080.340 FLARE STACKS—MANUAL OR AUTOMATIC OR SOLAR IGNITER 200 MM (8 IN.) STACK

Height (m)	(ft)	Base Rate (\$)
9.1	30	21 800
12.1	40	22 400
15.2	50	23 350
18.2	60	26 000

Rates include: flare tips
 base and foundation
 piping and flange
 regulator, valve and gauge
 retractable assembly
 electric service, flame failure switch
 guy wires and installation

2.080.500 INCINERATORS

Height (m)	(ft)	Base Rate (\$)
14.3	47	87 350
15.2	50	90 150
18.3	60	99 350
21.3	70	108 500
24.4	80	117 700
27.4	90	126 900
28.6	94	130 600

Rates include: stack, guy wires and incinerator
 piping and flange and electric ignition and switch
 base and installation

2.090 COMPRESSORS**2.090.100 VAPOUR RECOVERY –BLOWER**

Size (kW)	(hp)	Base Rate (\$)
1.5	2	12 500
3.7	5	19 750
7.5	10	29 600

2.090.200 VAPOUR RECOVERY–SINGLE STAGE

Size (kW)	(hp)	Base Rate (\$)
3.7	5	40 000
11.0	15	50 200
18.7	25	68 050
37.3	50	82 700
74.6	100	119 900
111.9	150	160 550

2.090.300 VAPOUR RECOVERY–TWO STAGE

Size (kW)	(hp)	Base Rate (\$)
11.0	15	76 050
18.7	25	88 650
37.3	50	120 850
56.0	75	156 700
74.6	100	192 750
93.3	125	202 600
111.9	150	212 150

Rates include: compressor package
inlet separator
piping, flanges and fittings
controls
lube system
skids and installation

Note: Horsepower (electric) x 0.746 = kW

2.090.400 GAS COMPRESSORS—TWO STAGE ELECTRIC DRIVE—PACKAGED

Size (kW)	(hp)	Base Rate (\$)
14.9	20	95 800
37.3	50	96 300
44.8	60	152 550
74.6	100	157 700
93.3	125	182 700
149.2	200	195 100
223.8	300	263 700
additional stages each add		30 250

Rates include: compressor package
 discharge air exchanger each stage
 suction scrubber
 controls, control panel
 electrical and switches
 electric motor and drive
 piping, flanges and fittings
 skids and installation

2.090.500 GAS COMPRESSORS—TWO STAGE GAS DRIVE—PACKAGED

Size (kW)	(hp)	Base Rate (\$)
14.9	20	112 700
37.3	50	112 700
44.8	60	179 450
74.6	100	189 050
93.3	125	212 550
149.2	200	244 850
223.8	300	331 000
additional stages each add		30 250

Rates include: compressor package
 discharge air exchanger each stage
 suction scrubber
 controls, control panel and switches
 gas motor and drive
 piping, flanges and fittings
 skids and installation

2.100 PUMPS**2.100.100 VERTICAL TURBINE PUMPS**

Inlet (mm)	(in.)	Motor (kW)	(hp)	Base Rate (\$)
100	4	1.5	2.0	7 600
100	4	2.2	3.0	7 900
100	4	3.7	5.0	8 750
100	4	5.6	7.5	9 900
150	6	2.2	3.0	8 150
150	6	3.7	5.0	9 300
150	6	5.6	7.5	10 300
150	6	7.5	10.0	10 700
150	6	11.2	15.0	12 050
150	6	14.9	20.0	13 400
150	6	18.7	25.0	13 900
150	6	22.4	30.0	15 250

Rates include: pump and base plate
explosion proof electric motor and drive assembly
piping, couplings, flanges and valves
electrical service and motor switch
installation

2.100.200 CENTRIFUGAL PUMPS—END SUCTION

Inlet (mm)	(in.)	Motor (kW)	(hp)	Base Rate (\$)
38	1.5	1.5	2.0	6 050
38	1.5	2.2	3.0	6 200
38	1.5	3.7	5.0	6 300
75	3.0	1.5	2.0	6 200
75	3.0	2.2	3.0	6 350
75	3.0	3.7	5.0	6 450
100	4.0	2.2	3.0	8 450
100	4.0	3.7	5.0	8 600
100	4.0	5.6	7.5	8 850
100	4.0	7.5	10.0	9 500
100	4.0	11.2	15.0	10 300

Rates include: pumps and base plates
explosion proof motor and drive assembly
piping, couplings, flanges and valves
electrical service and motor switch
installation

2.100.300 CENTRIFUGAL PUMPS—VERTICAL INLINE

Inlet (mm)	(in.)	Motor (kW)	(hp)	Base Rate (\$)
50	2.0	1.5	2.0	6 650
50	2.0	2.2	3.0	6 800
50	2.0	3.7	5.0	6 900
75	3.0	1.5	2.0	6 900
75	3.0	2.2	3.0	7 050
75	3.0	3.7	5.0	7 150
100	4.0	2.2	3.0	9 500
100	4.0	3.7	5.0	9 650
100	4.0	5.6	7.5	9 900
100	4.0	7.5	10.0	10 600
100	4.0	11.2	15.0	11 600

Rates include: pumps and base plates
explosion proof motor and drive assembly
piping, couplings, flanges and valves
electrical service and motor switch
installation

2.100.400 ROTARY GEAR PUMPS

Inlet (mm)	(in.)	Motor (kW)	(hp)	Base Rate (\$)
38	1.5	1.5	2.0	5 250
38	1.5	2.2	3.0	5 400
38	1.5	3.7	5.0	5 500
63	2.5	1.5	2.0	7 250
63	2.5	2.2	3.0	7 400
63	2.5	3.7	5.0	7 500
75	3.0	7.5	10.0	8 250
75	3.0	11.2	15.0	8 800

Rates include: pump, base plates and mechanical seal
explosion proof motor and drive assembly
piping, couplings and flanges
valves and PSV
electrical service and motor switch
paint and installation

2.100.500 PROGRESSIVE CAVITY PUMPS

Inlet (mm)	(in.)	Motor		Base Rate (\$)
		(kW)	(hp)	
50	2.0	1.5	2.0	8 250
63	2.5	2.2	3.0	9 150
75	3.0	2.2	3.0	10 000
100	4.0	3.7	5.0	14 200
150	6.0	5.6	7.5	15 900
150	6.0	7.5	10.0	16 150
150	6.0	11.2	15.0	16 700

Rates include: pump, base plates and mechanical seal
steel rotor and stator, pin joints
explosion proof motor, drive assembly and guard
piping, couplings and flanges
valves and PSV
electrical service and motor switch
paint and installation

2.100.600 PISTON / PLUNGER PUMPS

Type	Motor		Base Rate (\$)
	(kW)	(hp)	
Simplex	3.7	5.0	8 400
Duplex	7.5	10.0	11 950
Triplex	11.2	15.0	12 750
Triplex	22.4	30.0	22 250
Triplex	37.3	50.0	26 150
Triplex	74.6	100.0	40 900
Quintuplex	22.4	30.0	24 550
Quintuplex	37.3	50.0	29 750
Quintuplex	56.0	75.0	41 600
Quintuplex	74.6	100.0	49 300
Quintuplex	186.5	250.0	124 700

Rates include: pump, base plates and mechanical seal
explosion proof motor, drive assembly and guard
piping, couplings and flanges
valves and PSV
electrical service and motor switch
paint and installation
equipment skids for 30 hp and larger

2.100.700 WATERFLOOD PUMPS

Type	Motor (kW)	(hp)	Base Rate (\$)
Triplex	22.4	30	29 950
Triplex	44.8	60	36 000
Triplex	74.6	100	56 200
Triplex	123.1	165	79 250
Triplex	149.2	200	91 400
Triplex	279.8	375	231 500
Quintuplex	186.5	250	122 150
Quintuplex	223.8	300	146 800
Quintuplex	373.0	500	275 950
Quintuplex	466.3	625	298 850

Rates include: pump, base plates and mechanical seal
 explosion proof motor, drive assembly and guard
 piping, couplings and flanges
 valves and PSV
 electrical service and motor switch
 paint and installation
 equipment skids for 30 hp and larger

Note: Horsepower (electric) x 0.746 = 1 kW

2.110 AIR COMPRESSORS

2.110.100 UTILITY AIR COMPRESSORS

Size (kW)	(hp)	Base Rate (\$)
1.5	2.0	4 950
3.7	5.0	5 550
7.5	10.0	7 350
11.2	15.0	8 000

Rates include: reciprocating compressor
 lubricated, 2 stage
 air receiver and motor
 electrical and switch
 piping, flange and installation

2.110.200 INSTRUMENT AIR COMPRESSORS—RECIPROCATING

Size (kW)	(hp)	Base Rate (\$)
3.7	5.0	10 050
7.5	10.0	12 150
11.2	15.0	14 900

Rates include: reciprocating compressor
 air receiver and electric motor
 electrical and switch
 after cooler, air dryer package
 piping, flange and installation

2.110.300 INSTRUMENT AIR COMPRESSORS—ROTARY SCREW

Size (kW)	(hp)	Base Rate (\$)
11.2	15.0	17 950
18.7	25.0	22 900
37.3	50.0	34 100
74.6	100.0	57 300

Rates include: lubricated oil injection compressor receiver and electric motor
electrical and switch
oil separator with pump
after cooler, air dryer package
piping, flange and installation

2.120 CHEMICAL INJECTORS**2.120.100 ELECTRIC DRIVE**

Single Head—6 mm			
Motor (kW)	(hp)	Phases	Base Rate (\$)
0.19	0.25	1	2 200
0.19	0.25	3	3 400
0.37	0.50	1	2 300
0.37	0.50	3	3 500

Two Heads—6 mm			
Motor (kW)	(hp)	Phases	Base Rate (\$)
0.19	0.25	1	2 450
0.19	0.25	3	3 600
0.37	0.50	1	2 500
0.37	0.50	3	3 700

Rates include: pump and base
electric motor and service
tubing
installation

2.120.200 AIR/GAS DRIVERS

Plunger Size (mm)	(in.)	Base Rate (\$)
6	0.25	2 800
12	0.50	2 800
19	0.75	2 950
25	1.00	3 000
31	1.25	3 400

Rates include: pump and base
tubing, couplings
installation

2.120.300 OSCILLAMATIC

Size	Base Rate (\$)
All sizes	1 900

2.130 CONTROL VALVES

2.130.100 EMERGENCY SHUTDOWN VALVES (ESD)

Type	Size (mm)	Size (in.)	Base Rate (\$)
WKM Ball Valve	60	2	2 950
	89	3	4 200
	114	4	6 700
	168	6	11 200

Rates include: valve and actuator
 high/low pressure pilot switch
 flanges and tubing
 installation

2.130.200 2-WAY PNEUMATIC VALVES

Valve size (mm)	ANSI size (in.)	Actuator size	Base Rate (\$)
25	1.0	Level Control Valve	1 900
25	1.0	NPT 30	3 300
25	1.0	300 30	3 750
25	1.0	600 30	3 800
38	1.5	NPT 34	3 950
38	1.5	300 34	4 450
38	1.5	600 34	4 600
50	2.0	300 40	5 050
50	2.0	600 45	5 300
75	3.0	300 45	6 950
75	3.0	600 45	7 000
100	4.0	300 45	8 700
100	4.0	600 45	8 950
150	6.0	300 70	15 150
150	6.0	600 70	15 800

Rates include: valve and actuator
 level controller and pilot switch
 flanges and tubing
 installation

Note: 3-Way Pneumatic Valves are considered obsolete.

2-Way Electric - valve actuation **add** **170**
3-Way Electric - valve actuation **add** **280**

2.130.300 INTERMITTER–TIME CYCLE CONTROLLER

Size (mm)	Base Rate (\$)
51	4 440
76	5 480
102	6 620
152	10 120

2.140 CHOKES**2.140.100 WELLHEAD/MANIFOLDS–WILLIS MANUAL**

Size (mm)	(in.)	Model	Base Rate (\$)
33	1	M-1A	1 200
60	2	M-2	2 450
89	3	M-3	5 350
114	4	M-4	5 800

Rates include: installation

2.140.200 WELLHEAD/MANIFOLDS–MASTER FLO MANUAL

Size (mm)	(in.)	Model	Base Rate (\$)
33	1	P-1	1 800
60	2	P-2	2 450
89	3	P-3	4 550
114	4	P-4	13 750
168	6	P-6	29 350

Rates include: installation

2.140.300 WELLHEAD/MANIFOLDS–WILLIS PNEUMATIC

Size (mm)	(in.)	Model	Base Rate (\$)
33	1	M-1A	3 200
60	2	PA-2	4 450
89	3	M-3	8 150
114	4	M-4	8 900
Pressure		add	2 120

Rates include: valve and actuator
tubing and flanges
installation

2.140.400 WELLHEAD/MANIFOLDS—MASTER FLO PNEUMATIC

Size (mm)	Model (in.)	Base Rate (\$)
33	1 P-1	3 300
60	2 P-2	4 350
89	3 P-3	8 750
114	4 P-4	19 150
168	6 P-6	34 700
Pressure	Add	2 120

Rates include: valve and actuator
tubing and flanges
installation

2.150 ORIFICE FITTING AND METER RUNS**2.150.100 SENIOR**

Size (mm)	Base Rate (in.) (\$)
60	2 4 750
89	3 5 200
114	4 5 950
168	6 7 450
219	8 10 250
273	10 13 000

Rates include: orifice fittings, plate and holder
meter run and flanges
tubes and couplings
installation

2.150.200 SIMPLEX

Size (mm)	Base Rate (in.) (\$)
60	2 1 700
89	3 2 000
114	4 2 600
168	6 3 650
219	8 6 200
273	10 8 850

Rates include: orifice fittings and plate
meter run and flanges
plate holder
tubes and couplings
installation

2.160 METERING AND ANALYSIS**2.160.100 MECHANICAL LIQUID METERS**

Type	Size		Base Rate (\$)
	(mm)	(in.)	
Barton FL 10*	33	1.0	1 550
Barton Flotrac 306	33	1.0	1 050
Barton Flotrac 380	33	1.0	1 050
Floco F-2500	33	1.0	1 750
Floco 382 NPT	60	2.0	5 250
Floco 382 600 ANSI	60	2.0	6 950
Floco 383 NPT	89	3.0	5 250
Floco 383 600 ANSI	89	3.0	7 650
Automatic Sampler–sweet service	add		1 260
Automatic Sampler–sour service	add		1 410

*Model FL 10 is a flow meter.

Rates include: valves
pipe and fittings
installation

Note: The above meters are positive displacement meters for the measurement of brine, production water and oil production.

2.160.200 MECHANICAL GAS METERS

Type	Size		Base Rate (\$)
	(mm)	(in.)	
Dresser Roots	48	1.5	2 000
Dresser Roots	60	2.0	2 450

Rates include: pipe and fittings
Installation

2.160.300 LIQUID TURBINE METERS

Type	Size		Base Rate (\$)
	(mm)	(in.)	
Smith Watchman	27	0.75	1 950
Smith Watchman	33	1.00	2 200
Smith Guardsman	48	1.50	3 950
Smith Guardsman	60	2.00	3 950
Smith Guardsman	89	3.00	4 750
Halliburton	10-51	0.38-2.00	1 000
Halliburton	76	3.00	2 150
Halliburton	102	4.00	2 900

Rates include: pipe and fittings
electrical
installation

2.160.400 TOTALIZERS AND ANALYZERS

Type	Base Rate (\$)
CMOS CTC-61 Totalizer	4 350
Halliburton LO-11 Totalizer	1 100
Halliburton MC-11 Analyzer	1 250
Halliburton Net Oil Analyzer	4 900

Rates include: remote panel mounted installation

Note: Totalizers are used with turbine meters.
Analyzers are used a probe to measure water in an oil stream.

2.160.500 CAPACITANCE PROBES

Size (mm)	(in.)	Base Rate (\$)
60	2	3 650
89	3	4 950
114	4	5 700

Rates include: probe and electric cable installation

2.160.600 CHART RECORDERS

Type	Base Rate (\$)
2 Pen Circular-6 900 kPa element	3 100
3 Pen Circular-6 900 kPa element	3 650

Rates include: tubing, valves and manifold pressure element
temperature element
spring chart drive
installation

2.160.700 TRANSMITTERS

Type	Base Rate (\$)
Differential Pressure Flow	2 250
Pressure	1 650
Temperature	1 100

Rates include: electrical installation

Note: Rates are for Barton, Rosemount or Foxboro types.

2.170 PRODUCTION MANIFOLDS**2.170.100 MANUAL—PER WELL**

Size (mm)	(in.)	Base Rate (\$)
60	2	8 000
89	3	10 400
114	4	12 000
168	6	16 000

Rates include: piping and fittings to headers per well
multiple valves per well
inlet, test, pigging and group headers per well
installation

Note: To determine the total cost of a multi-well manual manifold, multiply the cost per well (above) by the number of wells entering the manifold.

2.170.200 ROTARY SELECTOR VALVE

Type	Base Rate (\$)
Rotary Selector Valve	6 150
60 mm (2 in.) Inlets—per well, add	1 900
Electric auto—actuator add	3 750

Rates include: piping and fittings to rotary valve—per well
piping from rotary to test header—per well
valves—per well
installation

Note: To determine the total cost of a rotary selector manifold:

Multiply inlet manifold cost per well by number of wells entering the rotary valve.

Then, add this cost to the cost of a rotary selector valve and add the cost of an auto—actuator if found.

Example: Rotary Valve Manifold—5 Wells

5 well inlet manifolds @ \$1 900	=	\$9 500
1 Rotary Selector Valve	=	\$6 150
1 Electric auto— actuator	=	\$3 750
Total Manifold Cost	=	<u>\$19 400</u>

2.180 PIGGING EQUIPMENT**2.180.100 PIG LAUNCHER/RECEIVER TRAPS**

Size (mm)	(in.)	Base Rate (\$)
60	2	5 000
89	3	5 200
114	4	6 650
168	6	12 100
219	8	13 150

Rates include: inlet, outlet and bypass valves
bleed valve and bypass
piping and fittings
structural support
installation

2.180.200 PIG ENTRY TEES

Size (mm)	(in.)	Base Rate (\$)
60	2	2 150
89	3	2 250
114	4	2 550

Rates include: block valves each side
bleed valve
installation

2.180.300 PIG BALL VALVES—MANUAL INJECTORS

Size (mm)	(in.)	Base Rate (\$)
60	2	2 650
89	3	3 250
114	4	5 450
168	6	12 700

Rates include: bleed valve
Installation

2.190 ELECTRICAL SERVICES**2.190.100 GENERAL SERVICE ENTRANCE ON THE SITE**

Unit	Base Rate (\$)
Single Phase Service, 120/240V, 101A to 200A*	2 780
Three Phase Service, 480V, 201A to 400A*	7 820
Three Phase Service, 480V, 401A to 800A*	14 850

*Does not include line up to and including the meter.

Rates include: circuit panel, main disconnect,
branch circuit breakers, splitter,
disconnects and grounding trenching, cable, miscellaneous
installation

A Sub-Station Transformer is required to step down a 480 Volt service to circuits of 460 Volt 3 Phase for motors and circuits of Single Phase 120/208 Volts for buildings, lights, etc.

A Sub-Station Transformer may be located inside a building or at an exterior plywood shelter and is found in association with electrical vaults, panels and switching gear.

2.190.400 THERMO-ELECTRIC GENERATORS

Unit	Base Rate (\$)
Less than 40W	5 200
over 40W	9 750

2.190.500 REMOTE SYSTEM RADIO TOWERS

Self-Supporting Height (m)	(ft)	Base Rate (\$)
8.5	28	1 550
11.0	36	2 050
13.4	44	2 550
16.5	54	3 050
20.7	68	3 500
Radio Antennas—building mounted antenna		420

2.190.600 FIRE AND GAS DETECTION SYSTEMS

Unit	Base Rate (\$)
Fire detection controller	4 500
Fire detector heads add each	2 000
Gas detection controller	2 200
Gas detector heads add each	1 250
Horn	350
Warning lights add each	500

2.230 DEHYDRATORS**2.230.100 CALCIUM CHLORIDE DRYERS**

Diameter (mm)	(in.)	Height		Base Rate (\$)
		(m)	(ft)	
300	12	8.2	27	12 850
400	16	8.2	27	15 550
500	20	8.2	27	17 250
600	24	8.2	27	22 000
750	30	8.2	27	25 550
Pellet loading arm assembly add				2 780
Meter run and dry flow recorder add				As found

Rates include: vessel with integral scrubber
calcium chloride pellets
600 mm (24 in.) bed of glass beads
scrubber heating coil
dump valve, piping and flanges
fuel gas scrubber with controls
installation

2.230.200 GLYCOL DEHYDRATOR PACKAGE - 2 PHASE

Diameter (mm)	(in.)	Height		Base Rate (\$)
		(m)	(ft)	
300	12	4.3	14	50 400
400	16	4.3	14	57 200
500	20	4.3	14	67 750
600	24	4.3	14	73 350
750	30	4.3	14	79 400
Meter run and dry flow recorder add				As found

Rates include: 4 tray vessel and 2 phase integral scrubber
glycol regenerator including reboiler
glycol/glycol exchanger
fire tube, flame arrestor, burner and pilot assembly
fuel gas scrubber and control package
standard dehydrator instrument package
glycol pump, piping, fittings, tubing and valves
process piping, controllers, gauges and glass
installation

2.230.300 GLYCOL DEHYDRATOR PACKAGE OPTIONS

The following costs should be added to the glycol dehydrator rates found under Section 2.230.200

ADDITIONAL TRAYS

Vessel Diameter (mm)	(in.)	Rate/Tray (\$)
300	12	580
400	16	810
500	20	990
600	24	1 090
750	30	1 820

Note: Each additional 450 mm (18 in.) of vessel height above 4.3 m (14 ft) is assumed to contain one tray. Vessel heights are measured from seam to seam.

THIRD PHASE ADDITION

Vessel Diameter (mm)	(in.)	Rate/Tray (\$)
300	12	3 050
400	16	3 150
500	20	3 450
600	24	3 750
750	30	4 100

Note: For a third phase, the above rates are added to the scrubber and controls.

STANDBY GLYCOL PUMP ADDITION

Vessel Diameter (mm)	(in.)	Rate (\$)
300	12	4 100
400	16	4 100
500	20	4 900
600	24	4 900
750	30	6 650

Note: For a standby glycol pump complete with piping and valves, add the above rates.

2.240 FILTERS**2.240.100 PECO LIQUID FILTERS**

Diameter (mm)	(in.)	Height (mm)	(in.)	Base Rate (\$)
168	6.6	787	31	1 800
168	6.6	1 168	46	1 900
219	8.6	813	32	2 150
219	8.6	1 422	56	2 350

Rates include: block valve and bypass valves
 drain valve
 piping and fittings
 installation

2.240.200 PECO GAS FILTER SEPARATIONS

Diameter (mm)	(in.)	Height (mm)	(in.)	Base Rate (\$)
168	6.6	1 391	55	4 450
168	6.6	1 772	70	4 600
168	6.6	2 002	79	4 750
219	8.6	2 178	86	6 900

Rates include: block valves, bypass valve
 drain valve
 piping and fittings
 installation

2.240.300 PECO DRY GAS FILTERS

Diameter (mm)	(in.)	Height (mm)	(in.)	Base Rate (\$)
168	6.6	660	26	3 500
168	6.6	1 041	41	3 700
168	6.6	1 270	50	3 950

Rates include: block valves, bypass valve
 drain valve
 piping and fittings
 installation

Note: No instrumental or PSVs have been included in any of the rates. Filters may be applied in the removal of particles and liquid separation such as hydrocarbon fluids, glycols, process fluids, salt water, fresh water, and water solutions as well as filtering and separating gases. Filter pressure vessels can be vertical or horizontal with removable end closures.

2.250 LACT UNITS**2.250.100 60 MM AND 89 MM PIPING UNITS**

Pump Size (kW)	(hp)	Base Rate (\$)
7.5	10	47 350
11.2	15	54 750
14.9	20	63 400
18.6	25	76 750
22.4	30	85 000
29.8	40	107 000
37.3	50	145 700
74.6	100	151 750

2.250.200 114 MM PIPING UNITS

Pump Size (kW)	(hp)	Base Rate (\$)
7.5	10	49 450
11.2	15	56 850
14.9	20	65 500
18.6	25	78 800
22.4	30	87 100
29.8	40	107 650
37.3	50	146 350
74.6	100	152 350

Rates include: skids and foundation
 piping, valves and fittings
 suction strainer, sampler
 BS & W monitor, temperature indicator
 charge pump and motor
 shipping pump and motor
 divert valve and metering
 low pressure switch, motor switches
 vibration switch, PSV
 high discharge pressure switch
 discharge pressure transmitter
 electrical, controls and panels
 installation

Note: 1 hp = 0.7460 kW
 LACT Units found with pump sizes exceeding 74.6 kW (100 hp) should be considered as special installations and costs obtained.

3.000 SCHEDULE B—ASSESSMENT YEAR MODIFIERS

The following assessment year modifiers are for machinery and equipment described in the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines*.

Assessment Year	Assessment Year Modifier
2004	1.29
2003	1.21
2002	1.19
2001	1.17
2000	1.14
1999	1.14
1998	1.10

4.000 SCHEDULE C–DEPRECIATION

The depreciation factors for machinery and equipment described in the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines* are listed in Table 2– Depreciation Factors. Depreciation for machinery and equipment that is *not* described in Schedule C of the *2004 Alberta Machinery and Equipment Assessment Minister's Guidelines* shall be determined in a manner that is fair and equitable with the depreciation factors listed in Table 2.

The anticipated age life for machinery and equipment described in Schedule A is 20 years. The anticipated age life for machinery and equipment located in specific types of property is listed in Table 1.

Age refers to the chronological age or the effective age, in years.

Chronological age is the actual number of years elapsed from the year the machinery and equipment was built, to the assessment year.

Effective age refers to the estimated age of machinery and equipment based on its present condition, design features and engineering amenities. Effective age may be less than, equal to, or greater than actual age. Effective age is determined by examining the present condition, design features and engineering factors of comparable types of machinery and equipment.

4.001 TABLE 1—ANTICIPATED AGE LIFE

TYPE OF PROPERTY	ANTICIPATED AGE LIFE OF M & E
Acid Plant	20 years
Brewery	25 years
Brick Plant	25 years
Cannery	20 years
Chemical Plant	20 years
Cement Plant	20 years
Coal Processing Plant	20 years
Distillery	25 years
Dairy, Creamery	25 years
Enhanced Oil Recovery	15 years
Feed or Flour Mill	25 years
Gas Processing (including sour gas)	20 years
Gas Injection or Compression	20 years
Insulation Plant	20 years
Meat Packing Plant	25 years
Methanol Plant	15 years
Oil Sand Processing Plant	15 years
Oilfield Battery	20 years
Plywood/OSB*/Wallboard Manufacturing Plant	20 years
Pulp Mill	15 years
Pelitzing Plant (Feed)	20 years
Refinery (Metal)	15 years
Refinery (Oil)	20 years
Refinery (Sugar)	20 years
Roofing Plant	20 years
Saw or Stud Mill	20 years
Seed Cleaning Plant	25 years
Soft Drink Plant	20 years
Steel Mill	20 years
Sulphur or Fertilizer Plant	15 years
Tire Plant	15 years
Water Flood	20 years

*OSB—Oriented Strand Board

4.002

TABLE 2—DEPRECIATION FACTORS - ANTICIPATED AGE LIFE

Age (Years)	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years	50 Years	60 Years
0	75	75	75	75	75	75	75	75
1	75	75	75	75	75	75	75	75
2	75	75	75	75	75	75	75	75
3	73	75	75	75	75	75	75	75
4	66	75	75	75	75	75	75	75
5	59	71	75	75	75	75	75	75
6	53	66	74	75	75	75	75	75
7	48	62	70	75	75	75	75	75
8	43	58	66	72	75	75	75	75
9	40	54	63	69	74	75	75	75
10		50	60	67	71	75	75	75
11		47	57	64	69	73	75	75
12		44	54	61	67	71	75	75
13		41	51	59	64	69	75	75
14		40	49	57	62	67	75	75
15			46	54	60	65	74	75
16			44	52	58	63	72	75
17			42	50	56	61	71	75
18			40	48	54	59	70	74
19				46	53	58	68	73
20				44	51	56	67	72
21				42	49	54	65	70
22				41	47	53	64	69
23				40	46	51	63	68
24					44	50	62	67
25					43	48	60	66
26					41	47	59	65
27					40	46	58	64
28						44	57	63
29						43	56	61
30						42	55	60
31						41	54	59
32						40	52	58
33							51	57
34							50	57
35							49	56

Note: Expressed as percentage remaining.

TABLE 2–Depreciation Factors - Anticipated Age Life (cont.)

Age (Years)	10 Years	15 Years	20 Years	25 Years	30 Years	35 Years	50 Years	60 Years
36							48	55
37							47	54
38							46	53
39							46	52
40							45	51
41							44	50
42							43	49
43							42	49
44							41	48
45							40	47
46								46
47								45
48								45
49								44
50								43
51								42
52								42
53								41
54								40

Note: Expressed as percentage remaining.

5.000 SCHEDULE D—ADDITIONAL DEPRECIATION

For any depreciation that is not reflected in Schedule C, the assessor may adjust for additional depreciation provided acceptable evidence of such loss in value exists.

2004 ALBERTA CONSTRUCTION COST REPORTING GUIDE

1.000 COSTS TO BE INCLUDED IN DETERMINING ASSESSABLE COSTS

The costs of construction reported by the company to the assessor are the actual expenditures made in constructing the facility as referenced in the agreement with the contractor or as incurred directly by the company.

Construction costs include both direct and indirect costs.

1.100 DIRECT COSTS VERSUS INDIRECT COSTS

Direct costs are costs for labour, materials, and installation costs which can be directly related to the construction of a specific facility.

Indirect costs are costs incurred away from the site or are costs allocated to the project. Indirect costs are also incurred by a company that uses in-house resources to construct a facility.

The assessor should review the company submission to determine whether in-house staff have been involved in any construction activities. When such activities are identified allowances for indirect costs are to be included.

Direct costs include but are not limited to:

- staff, including labour, supervision, inspection, janitorial, and security,
- materials used for construction,
- consulting fees,
- engineering, design, and surveys,
- construction equipment: including scaffolding, pumps, tools, and consumable supplies,
- monitoring and control of construction,
- handling and storage of materials and equipment,
- equipment maintenance, repairs, and winterization,
- temporary facilities,
- clean-up costs and removal of rubbish, and
- security, including yard lighting and fire protection.

Indirect costs include but are not limited to:

- general contractor and subcontractor profit,
- contractors' overhead, including administration costs and head office allocations,
- staff recruitment,
- permits: building, electrical, etc.,
- insurance: fire, liability, property, etc., and
- cost to obtain a performance bond.

2.000 COSTS TO BE EXCLUDED IN DETERMINING ASSESSABLE COSTS

The following costs are to be excluded when determining assessable cost. This listing is not intended to be exhaustive.

Not all construction costs associated with a project are included in determining assessable cost. A project cost may be excluded from assessable cost for one or more of the following reasons:

- it is the cost of a pre-construction activity,
- it is the cost of a post-construction activity,
- it is associated with a component of the project which is not defined as property in the Act, and/or
- it is associated with property which is made exempt from assessment in the Act.

It may be necessary for the assessor to meet with the company representative to determine the status of specific costs and to understand accepted industrial policies and practices.

2.100 PRE-CONSTRUCTION ACTIVITIES

2.100.100 FEASIBILITY STUDIES

The costs associated with studies evaluating the viability of a proposed project are excluded. The costs of feasibility studies must be reported separately from the costs of developing working models that facilitate construction or staff training, which are included as project costs.

2.100.200 CANCELLATION CHARGES

Payments made to a contractor for cancellation of a project before any construction is performed are excluded.

2.200 POST-CONSTRUCTION ACTIVITIES

2.200.100 COMMISSIONING, PRE-PRODUCTION RUNS, AND START UP

The costs associated with the following activities occur after the physical completion of construction and are excluded:

Commissioning: the analysis and verification of operational processing or manufacturing systems.

Pre-production run: pre-operational run of the process allowing for adjustments, revisions, etc., that produce product to specification.

Start up: a run that produces on-specification product at design quantities within warranty provisions.

Note: The costs of equipment installed during, or as a result of, commissioning, pre-production, and start up runs are included.

2.200.200 CONSUMABLE MATERIALS

The costs for chemicals and catalysts consumed as part of an industrial process and during commissioning, pre-production, and start up are excluded.

2.300 PROPERTY THAT CANNOT BE ASSESSED

The cost of “property”, “improvements”, “structures”, or “machinery and equipment” that does not meet the legislated definitions are excluded.

2.300.100 ROYALTIES, LICENSES, AND PATENT FEES

The payments made for the right to use particular processes are excluded.

2.300.200 MOBILE EQUIPMENT

The costs for mobile equipment are excluded.

2.300.300 SPARE EQUIPMENT

Spare machinery and equipment stored on site, but not designated as standby equipment, is excluded.

2.300.400 DESIGN CHANGES, ALTERATIONS, AND MODIFICATIONS

Alteration costs incurred during construction that improve the operational efficiency of the original plant design, are excluded. Likewise, the costs of “de-bottlenecking” or modifying an operating process are excluded if there are no changes to the equipment inventory.

Note: The cost of equipment installed to improve operational efficiency is included.

2.300.500 INTERFERENCE COSTS

Additional costs incurred for reasons of safety while working in close proximity to existing facilities, such as the cost of pilings to ensure the structural integrity of existing buildings or the rerouting of piping, electrical lines, or telecommunications lines, are all excluded.

2.300.600 GOODS AND SERVICES TAX (GST)

The GST paid on construction materials and services is excluded.

2.300.700 IMPORT DUTY AND BROKER FEES

The duty and fees levied on an imported component that increase its cost above the cost of a comparable component made in Canada, are excluded.

2.300.800 BONUS OR PENALTY

Bonuses such as those paid to a contractor for completion of the project prior to a stipulated deadline, are excluded. Similarly, a financial penalty imposed for failure to meet a condition in the contract is not deductible.

2.300.900 COMPUTER COSTS

Hardware and software computer costs that are not used, or intended to be used, as part of or in connection with the property being assessed, but are necessary to support the business activities carried on at the facility, such as accounting and personnel, are excluded.

2.400 PROPERTY EXEMPT FROM ASSESSMENT

Costs for property excluded from the assessment in accordance with section 298(1) of the Act are excluded.

2.500 ABNORMAL COSTS OF CONSTRUCTION

In order to reduce uncertainty and improve assessment consistency among regulated properties the following assumptions are made to describe normal conditions for the construction of regulated property:

- an adequate labour force is readily available at the worksite,
- raw materials and pre-fabricated component parts are readily available,
- projects are financed from operations or from shareholder equity and companies make no provision for interest during construction, and
- premium payments are not made for overtime worked.

The determination of what constitutes “typical” or “normal” is difficult; it is subjective and it may vary over time, from one location to another and among industries. If the actual costs of an industrial facility are greater than typical construction costs, the excess construction costs of the facility are considered abnormal and are excluded.

Abnormal costs can result from delays in construction caused by natural disasters or inclement weather or they may occur when the construction workforce is on site but a lack of supplies or a work slowdown reduces or stops actual construction. Additional costs incurred because of unproductive labour are excluded.

Two additional examples of abnormal costs are:

- a cost that would typically not be incurred in a balanced market, and/or
- a cost that is excluded to maintain consistency among regulated properties.

Specific documentation is required to substantiate claims for abnormal costs.

2.500.100 TRAVEL COSTS

The costs of paying staff for time spent travelling to and from the worksite or any costs to supply transportation for the workforce to and from the site are excluded.

2.500.200 TRANSPORTATION COSTS

The costs of transporting raw material and components from the Edmonton area to the work site are excluded. However, if the actual transportation costs from the point of origin to the plant site are equal to or less than the cost to the Edmonton area, the entire transportation costs are included.

Note: The cost of loading and unloading the raw materials and components is included.

2.500.300 INTEREST DURING CONSTRUCTION

The interest to finance the construction of a regulated property is excluded.

2.500.400 OVERTIME

The premium portion of wages and fringe benefits paid for overtime is excluded. For example, if time and a half is paid, the regular time portion is included but the extra half portion is excluded.

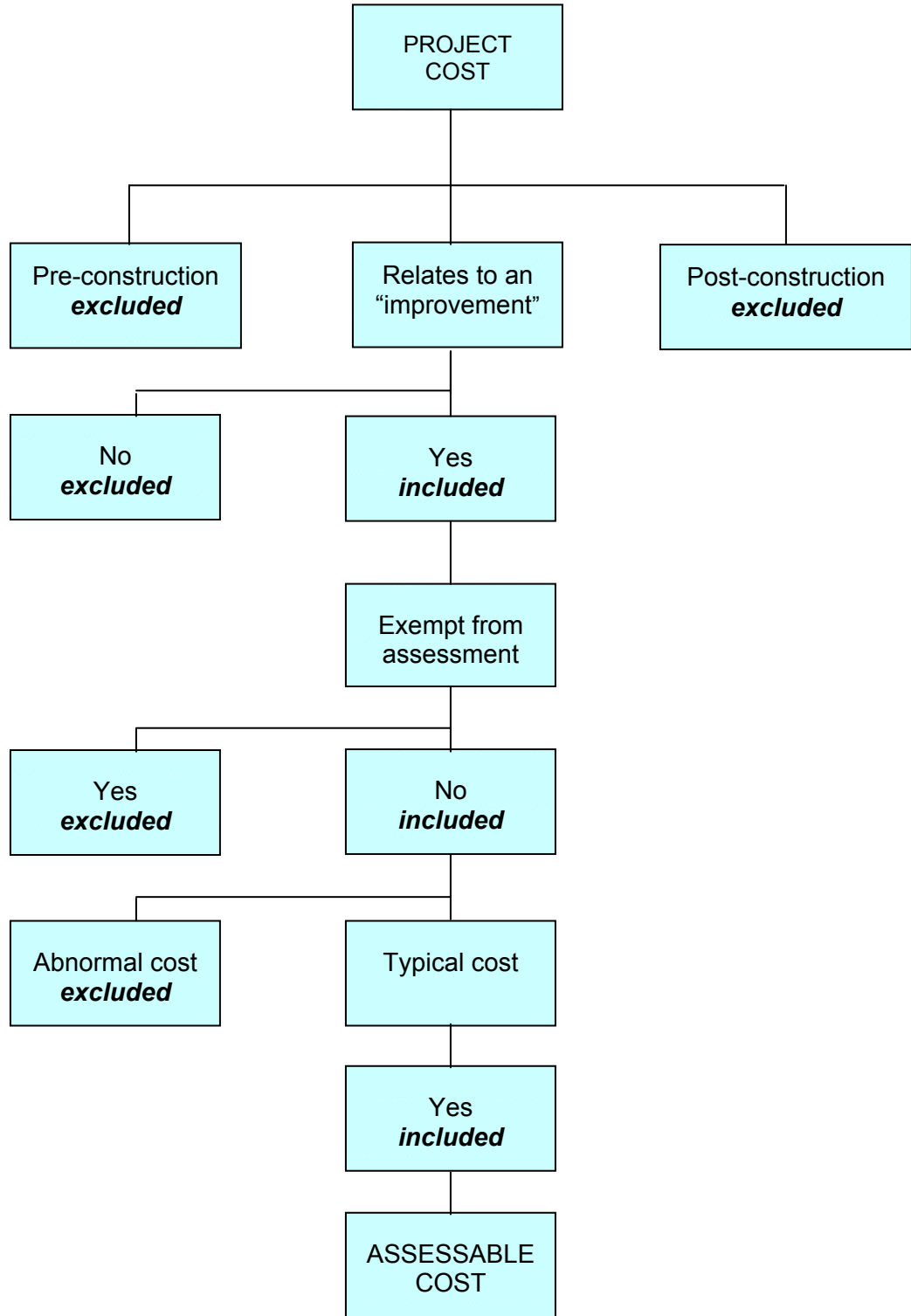
2.500.500 PROPERTY TAXES

The property and business taxes paid on a facility are excluded.

GLOSSARY

Act	The <i>Municipal Government Act</i> , RSA 2000Ch. M-26
Company	The assessed person as described in section 304 of the <i>Municipal Government Act</i> .
Company Representative	A person authorized by the company in writing to provide information that will be used for the purposes of preparing an assessment.
Contractor	The person or firm designated by contract as responsible for the overall construction of the facility.
Edmonton area	The City of Edmonton and the surrounding area within 50 kilometres of the City limits.

FIGURE 1 FROM PROJECT COST TO ASSESSABLE COST



INTERPRETIVE GUIDE TO APPENDIX V OF THE 2004 MINISTER'S GUIDELINES

INTRODUCTION

SCOPE AND PURPOSE OF THIS GUIDE

The purpose of this guide is to assist company representatives in providing information needed by assessors to prepare assessments for regulated properties.

The procedures in this guide are intended to be consistent with the value standards prescribed in the *Matters Relating to Assessment and Taxation Regulation*. Issues of assessability are to be determined in accordance with the legislation.

The policies and procedures incorporated in this guide are modeled on the appraisal principle of reproduction cost, subject to divergences necessary to meet the requirements of Alberta's assessment legislation and to provide a stable property tax base.

The costs reported by the application of this guide are used by the assessor to determine the construction cost for property that is not described in Schedule A of the *Linear Property Assessment Manual* or Schedule A of the *Machinery and Equipment Assessment Manual*.

Much of the information used to determine construction cost is derived from the internal records of the company and provided by the company representative to the assessor. A company's internal records may also include project costs that should not be included by the assessor when determining the property assessment. This guide identifies costs that are typically included – as well as costs that are excluded – in the determination of the property assessment.

The principal objectives of this guide are to specify minimum standards for reporting construction costs, and to describe the construction costs that should be included in determining assessable cost.

REPORTING CONSTRUCTION COSTS

STANDARDS FOR REPORTING COSTS

The following standards are presented as minimum requirements for reporting construction costs:

- Documentation should represent all construction costs of structures and machinery and equipment. If actual costs are not available, engineering estimates can be provided with a commitment by the company representatives that actual costs will be provided when available.
- Assessors should make initial requests for information when construction begins. Reporting procedures can be agreed upon by the company representative and the assessor. Concerns can be addressed before an assessment is prepared.
- The level of detail reported should be sufficient to ensure the accurate accounting of future additions, the removal of machinery and equipment, or the demolition of structures.
- Costs for large facilities can be reported on an operational unit or process basis. Costs for small facilities can be reported on an item basis, grouped by structure or by process.
- Costs relating to structures should be clearly separated from those relating to machinery and equipment.
- All construction costs should be reported. The company representative should note those costs that the company believes should be excluded from the assessment and cite the appropriate section of this guide or provide a full explanation for the exclusion.
- The net cost of machinery and equipment removed from the facility is deducted.
- The company submission should be signed by a company representative who has authority to make the submission.

An assessor who receives a submission that does not meet these minimum requirements should return it to the company representative with a detailed description of its deficiencies.

STRUCTURES VERSUS MACHINERY COSTS

It is important to distinguish between the construction costs of structures and the costs of machinery and equipment. Machinery and equipment costs include the cost of any supporting foundations and footings required by the machinery and equipment. Structure costs may need to be prorated and a portion of foundation and footing costs assigned to machinery and equipment.

THE ASSESSOR'S AUTHORITY TO REQUEST INFORMATION

The company has a statutory duty under the *Municipal Government Act* to provide information to the assessor. The Act authorizes the assessor to request, and requires the company to provide, any information necessary for the assessor to prepare an assessment.

If a company does not provide the requested information by the statutory time frame under section 295(4) of the Act, the company loses its right of complaint to the Municipal Government Board or to an Assessment Review Board. The assessor also has the ability to request and obtain information under sections 294 and 296 of the Act.

CONFIDENTIALITY OF INFORMATION

All information reported to, or obtained by the assessor for the purpose of preparation of the assessment belongs to the municipality for which the assessor is acting.

This information is subject to access and confidentiality provisions of sections 299 to 301.1 of the *Municipal Government Act*, and, where applicable, the provisions of the *Freedom of Information and Protection of Privacy Act*.

ASSESSABLE COSTS

The costs of construction to be reported by the company to the assessor are the actual expenditures made in constructing the facility, as referenced in an agreement with the contractor or as incurred by the owner.

Construction costs include all costs of materials and labour required to construct an industrial facility, including the costs required to install production machinery and equipment.

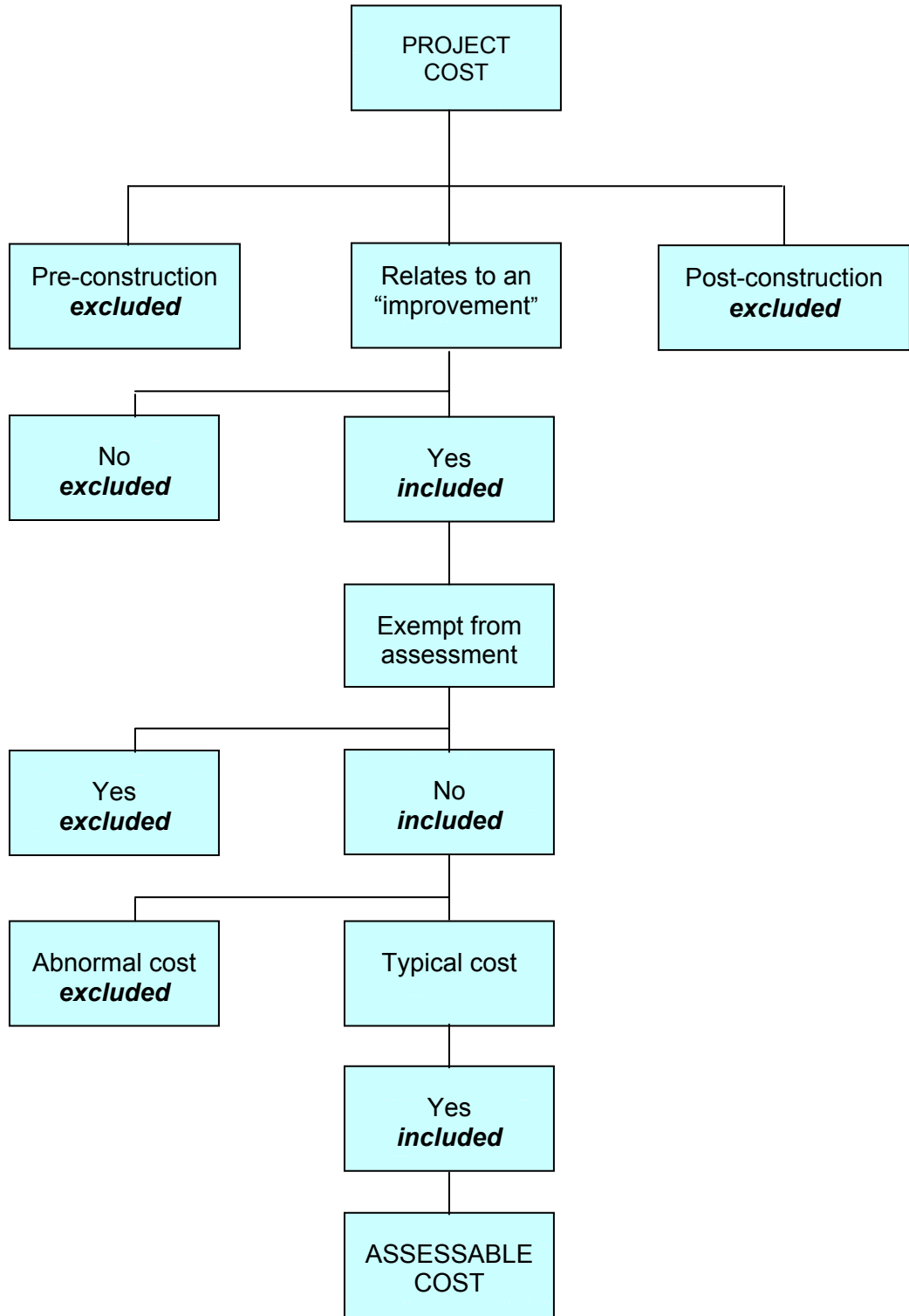
In addition to construction costs directly attributable to the project, reported costs include indirect costs assigned to the project.

Not all construction costs associated with a project are included in the determination of assessable cost. (See Assessable Costs diagram page 59.)

Project costs may be excluded for one or more of the following reasons:

- it is the cost of a pre-construction activity
- it is the cost of a post-construction activity
- it is associated with a component of the project that is not defined as property in the *Municipal Government Act*
- it is associated with property that is made exempt from assessment in the *Municipal Government Act*; and/or
- it is an abnormal cost if
 - in a balanced market it is a cost that would typically not be incurred, and/or
 - it is a cost that is excluded to maintain consistency among regulated properties.

FROM PROJECT COST TO ASSESSABLE COST



INCLUDED COSTS

DIRECT COSTS VERSUS INDIRECT COSTS

Construction costs are generally allocated between costs considered to be direct costs and those considered to be indirect costs. Direct costs are costs for labour and materials that can be directly related to the construction of a specific facility. These costs include but are not limited to:

- engineering, survey, and design studies
- staff: including labour, supervision, inspection, janitorial, and security
- materials used for construction
- construction equipment including scaffolding, pumps, tools, and consumable supplies
- handling and storage of materials
- equipment maintenance, repairs, and winterization
- temporary facilities
- security, including yard lighting
- building and site clean-up costs for the building and site, removal of rubbish, etc.
- permits: (building, electrical, etc.), and
- cost to obtain a performance bond.

Indirect costs are costs incurred by the contractor that are allocated to the project as overhead. Indirect costs are also incurred by the company that uses in-house resources to construct a facility.

The assessor should review the submission with the company representative to determine whether in-house staff has been involved in any construction activities. When such activities are identified, an allowance for overhead should be included.

The following list will assist in identifying costs that may be included in contractor overhead and need to be reported by the company for projects constructed in-house:

- general contractor and subcontractor profit
- contractor's overhead including administration costs and head office allocation
- consulting fees
- staff recruitment, and
- insurance (fire, liability, property, etc.).

The following examples of construction costs are NOT intended as an all inclusive list when determining assessable cost.

CONSULTING FEES

The costs of using consulting architects, engineers, and other specialists to advise on the project are included. An allowance for the costs of in-house consulting services should be included. (See also: *Feasibility Studies*, page 64.)

WORKING MODELS

The costs of working models to facilitate construction, improve operational efficiency, or train staff during construction are included.

SITE PREPARATION

The costs to clear, level, and finish the site to standards typical for industrial property in the area are included. (See also: *Site Improvements, page 62, Retaining Walls, etc., page 62 , and Abnormal Costs of Construction, page 65.*)

Note: When the land assessment is based on the value of finished industrial land (stripped and graded), the actual site preparation costs are excluded.

The costs to deal with adverse factors, for example topography or soil conditions not ordinarily encountered in construction projects, as well as reclamation costs required to bring the site back to the quality of raw land in the vicinity, are considered abnormal costs and are therefore excluded.

FREIGHT CHARGES

The costs of loading and unloading materials and equipment at the site are included. (See also: *Transportation Costs, page 66.*)

TEMPORARY FACILITIES

The costs of constructing improvements erected as part of construction and removed following construction, for example offices, warehouses, staff quarters, boundary fencing, and security fences are included. The construction costs of temporary utilities and services are also included.

The construction costs of temporary facilities that are assessed separately from the facility are excluded from the facility's construction cost. When one of these temporary facilities is removed, the remaining net cost is added to the construction cost of the facility. For example:

<i>Assessable cost</i>	<i>\$300,000</i>
<i>Cost recovered from sale</i>	<i><u>\$200,000</u></i>
<i>Net cost added to the facility construction cost</i>	<i>\$100,000</i>

In the case of temporary facilities that are leased, the net lease costs are included.

Temporary camp facilities will be assessed separately as long as they are located on the site.

TESTING

The costs incurred while testing operating systems and equipment during construction are included. (See also: *Working Models, page 61, Feasibility Studies, page 64, and Commissioning, etc., page 64.*)

SITE IMPROVEMENTS

The costs of landscaping, parking lots, lighting, internal roads, and sidewalks are included. (See also: *Site Preparation, page 62, Working Models, page 61, Feasibility Studies, page 64, and Commissioning, etc., page 64.*)

RETAINING WALLS, REINFORCED EARTH WALLS, AND EARTH BERMS

The costs of constructing retaining walls, reinforced earth walls, and earth berms are included. (See also: *Site Improvements, page 62.*)

FIRE PROTECTION

The construction costs for the facility's fire protection including housings, hydrants, fire lines, and sprinkler systems are included.

COMMUNICATION SYSTEMS

The construction costs for internal communications systems are included.

COMPUTER COSTS

The computer costs, hardware and software, incurred during construction to monitor and control construction are included.

The computer costs, hardware and software that are an integral part of an operational unit, for example incurred to monitor, operate and/or control processing systems and equipment, are included. (See also: *Excluded Computer Costs*, page 65.)

STANDBY EQUIPMENT

The costs of standby equipment forming part of an operational unit intended to maintain continuous operation of a particular function in the event of peak loading or failure of the operational unit, are included.

Typically, standby equipment is found in operation or phases of an operation when it is not feasible to shut down the operation to replace a faulty piece of equipment. Common examples are power generators, pumps, motors, and compressors. (See also: *Spare Equipment*, page 65.)

CRANES AND CRANEWAYS

The costs of cranes and associated craneways that are used as an integral part of an operational process and/or to service equipment are included and are assessable as machinery and equipment. The supporting foundations for the cranes and craneways are considered machinery and equipment.

The costs of cranes and craneways that are not assessable as machinery and equipment, for example to load the finished product, are included and are assessable as structures.

EXCLUDED COSTS

PRE-CONSTRUCTION AND POST-CONSTRUCTION COSTS

The distinctions between construction costs and project costs representing pre-construction and post-construction activities are somewhat arbitrary. It may be necessary for the assessor to meet with company representatives to determine the status of specific costs and to understand accepted industrial policies and practices.

PRE-CONSTRUCTION ACTIVITIES

FEASIBILITY STUDIES

The costs associated with studies that evaluate the viability of a proposed project are excluded. The costs of feasibility studies must be reported separately from the costs for developing working models to facilitate construction or staff training which are included. (See also: *Consulting Fees*, page 61, and *Working Models*, page 61.)

CANCELLATION CHARGES

The payments made to a contractor for cancellation of a project before any construction is performed are excluded.

POST-CONSTRUCTION ACTIVITIES

COMMISSIONING, PRE-PRODUCTION RUNS, AND START-UP

These activities occur after the physical completion of construction or when contractual standards have been met in order for the facility to be turned over to the company. Costs associated with these activities are excluded. (See also: *Testing*, page 62, and *Design Changes*, etc., page 65.)

Note: *The cost of equipment installed during commissioning, pre-production, and start-up runs are included.*

Commissioning: The analysis and verification of operational processing or manufacturing systems.

Pre-production run: Pre-operational run of the process that allows for adjustments, revisions, etc., to produce the product to specification.

Start-up: A run that produces an on-specification product at design quantities within the warranty provisions.

PROPERTY THAT CANNOT BE ASSESSED

In Alberta, assessments are based on the value of property as defined in the *Municipal Government Act*. The value of other types of property such as personal property, are excluded. The definitions of property, improvement, structure, and machinery and equipment are set out in legislation.

ROYALTIES, LICENSES, AND PATENT FEES

The payments made for the right to use particular processes are excluded.

MOBILE EQUIPMENT

The costs of mobile equipment are excluded. (See also: *Cranes and Craneways*, page 63.)

CONSUMABLE MATERIALS

The costs of chemicals and catalysts consumed as part of an industrial process, and during commissioning, pre-production, and start-up, are excluded.

SPARE EQUIPMENT

The cost of machinery and equipment stored on site, but not designated as standby equipment, is excluded. (See also: *Standby Equipment*, page 63.)

PROPERTY EXEMPT FROM ASSESSMENT

The *Municipal Government Act*, in section 298 (1), specifically excludes certain property from assessment, even though it fits within the statutory definitions in the Act. For example, the Act excludes a portion of a water conveyance in a manufacturing or processing plant (clause (g)), and provides a similar exclusion for sewage conveyance systems (clause (h)).

DESIGN CHANGES, ALTERATIONS, AND MODIFICATIONS

Costs incurred during construction to make alterations that improve the operational efficiency of the original plant design are not assessable. Likewise, the costs of “de-bottlenecking” or modifying an operating process are not included as long as there are no changes to the equipment inventory.

The cost of equipment installed to improve operational efficiency is included.

INTERFERENCE COSTS

Additional costs incurred for reasons of safety while working in close proximity to existing facilities for example, the cost of pilings to ensure the structural integrity of existing buildings, the rerouting of piping, electrical lines, or telecommunications lines, are excluded.

GOODS AND SERVICES TAX (GST)

The GST paid on construction materials and services is excluded. The GST paid by the owner is credited against tax collected by the owner from the sale of plant products and need not be recovered in the price of the product itself.

IMPORT DUTY AND BROKER FEES

The duty and fees levied on an imported component that increase its cost above the cost of a comparable component made in Canada, are excluded.

BONUS OR PENALTY

Payments made to a contractor for completion of a project prior to a stipulated deadline, for example are excluded. Similarly, the amount of a financial penalty imposed on the contractor for failing to meet a condition in the contract may not be deducted.

COMPUTER COSTS

The computer costs, hardware and software, not required to operate the facility but necessary to support the business activities carried on at the facility, for example accounting and personnel are excluded. (See also: *Included Computer Costs*, page 63.)

ABNORMAL COSTS OF CONSTRUCTION

If the actual costs of an industrial facility are greater than typical construction costs, then the excess construction costs of the facility are considered abnormal and are excluded.

Additional costs incurred because of unproductive labour are excluded.

Abnormal costs can result from delays in construction caused by natural disasters or inclement weather. Abnormal costs may also occur when the construction workforce is on site, but a lack of supplies or a work slowdown reduces or stops actual construction.

Specific documentation is required to substantiate claims for abnormal costs.

The determination of what constitutes “typical” or “normal” is difficult; it is subjective and it may vary over time, from one location to another and among industries. In an attempt to reduce uncertainty and produce assessment consistency for regulated properties, a number of assumptions are made when describing normal conditions for the construction of regulated property:

- an adequate labour force is readily available at the worksite
- raw materials and pre-fabricated component parts are readily available
- projects are financed from operations or from shareholder equity and companies make no provision for interest during construction, and
- premium payments are not made for overtime worked.

TRAVEL COSTS

The costs of paying staff for time spent travelling to and from the worksite are excluded. The costs to supply transportation for the workforce to and from the site are excluded.

TRANSPORTATION COSTS

The costs of transporting raw material and components from the Edmonton area to the work site are excluded. However, if the actual transportation costs from the point of origin to the plant site are equal to or less than the cost would be to the Edmonton area, the entire transportation costs are included. (See also: *Freight Charges*, page 62.)

INTEREST DURING CONSTRUCTION

The cost of interest on money to finance the construction of a project is excluded.

OVERTIME

The premium portion of wages and fringe benefits paid for overtime for work performed is excluded. For example, where time and a half is paid, the time portion is included and the half portion is excluded.

PROPERTY TAXES

The property and business taxes paid on the facility are excluded.

GLOSSARY

Term	Definition
Company	The assessed person as described in the <i>Municipal Government Act</i> , SA 1994 c M-26.1, section 304.
Company representative	A person authorized by the company, in writing, to provide information that will be used for the purposes of preparing an assessment.
Contractor	The person or firm designated by the contract as responsible for the overall construction of the facility.
Cost	Generally used in appraisal to mean the expenditures, direct and indirect [overhead], of constructing an improvement. International Association of Assessing Officers (IAAO), Glossary for Property Appraisal and Assessment, page 34.
Edmonton area	The City of Edmonton and the surrounding area within 50 kilometres of the city limits.
Excluded cost	A cost that is excluded from the determination of assessable cost.
Improvement	As defined in the <i>Municipal Government Act</i> , SA 1994 c M-26.1, section 284(1)(j).
Included cost	A cost that is included in the determination of assessable cost.
Machinery and equipment	As defined in the <i>Matters Relating to Assessment and Taxation Regulation, Alberta Regulation 220/2004</i> , section 2 (b).
Minister's Guidelines	A document setting out the prescribed procedure for preparation of assessment that is authorized by the <i>Municipal Government Act</i> , SA 1994 c M-26.1, section 289 and section 293 and provided for in the <i>Matters Relating to Assessment and Taxation Regulation, Alberta Regulation 220/2004</i> .
Overhead cost	A cost that is not directly traceable to any given unit of output. Sometimes referred to as "indirect cost". It is impossible to draw a sharp line of demarcation between overhead and direct costs, and any classification of costs into these two groups is necessarily somewhat arbitrary. IAAO Glossary for Property Appraisal and Assessment, (page 35) define .
Property	As defined in the <i>Municipal Government Act</i> , SA 1994 c M-26.1, section 284 (1) (r).
Structure	As defined in the <i>Municipal Government Act</i> , SA 1994 c M-26.1, section 284 (1) (u).

REFERENCE

- Municipal Government Act*, SA 1994 c M-26.1, section 284 (1) (j), pp 129.
- Municipal Government Act*, SA 1994 c M-26.1, section 284 (1) (r), pp 133.
- Municipal Government Act*, SA 1994 c M-26.1, section 284 (1) (u), pp 134.
- Municipal Government Act*, SA 1994 c M-26.1, section 289, pp 135.
- Municipal Government Act*, SA 1994 c M-26.1, section 293, pp 137.
- Municipal Government Act*, SA 1994 c M-26.1, section 294, pp 137.
- Municipal Government Act*, SA 1994 c M-26.1, section 295 (4), pp 138.
- Municipal Government Act*, SA 1994 c M-26.1, section 296, pp 138.
- Municipal Government Act*, SA 1994 c M-26.1, section 298 (1), pp 140.
- Municipal Government Act*, SA 1994 c M-26.1, section 299-301.1, pp 144.
- Municipal Government Act*, SA 1994 c M-26.1, section 304, pp 145.
- Matters Relating to Assessment and Taxation Regulation, Alberta Regulation 220/2004.*
- Glossary for Property Appraisal and Assessment, International Association of Assessing Officers (IAAO), page 34 & page 35.*
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