

September 10, 2004

Mr. Damian Bassett
Chief Executive Officer
Stewardship Ontario
26 Wellington Street East, Suite 601
Toronto, Ontario M5E 1S2

Dear Mr. Bassett:

Re: Revised Net Ontario Residential Blue Box System Cost for 2003

Further to my correspondence dated August 20, 2004 in which I provided the net Ontario residential Blue Box system cost for 2003, the adjustments arising from the City of Guelph's collection process audit have now been confirmed with City of Guelph staff, resulting in a decrease in Guelph's 2003 Blue Box program costs of \$365,023.

During the interim, Waste Diversion Ontario's Data Manager has also identified one incident of double reporting in the 2003 Datacall resulting in an additional decrease in the 2003 Blue Box system costs of \$98,551. This incidence of double reporting also affected revenue for that program, resulting in a decrease in 2003 material revenue of \$8,116.

The net result of these changes is outlined in the following table:

	Total Gross Cost	Gross Cost Per Tonne	Total Gross Revenue	Gross Revenue Per Tonne	Total Net Cost	Net Cost Per Tonne
2003 Verified Costs	\$182,367,381	\$234	\$65,601,658	\$84	\$116,765,723	\$150
2002 Blue Box Amortization	\$776,161					
2003 Blue Box Amortization Carried Forward	(\$733,573)					
2003 Total	\$182,409,970	\$234	\$65,601,658	\$84	\$116,808,312	\$150



The adjustment to material revenue referenced above affects the two year rolling average revenue calculation as outlined in the following table:

2 Year Rolling Average Revenue	2003	2002	Average
Tonnes Marketed	779,844	726,726	
Total Gross Revenue	65,601,658	\$59,754,371	
Per Tonne Average	\$84.12	\$82.22	\$83.17
2 Year Average	\$64,861,804		

The following table presents the net Ontario residential Blue Box system cost for 2003.

2003 Net Blue Box System Cost	
Total Gross Cost	\$182,409,970
2 Year Revenue Average	\$64,861,804
Total Net Cost	\$117,548,166

Yours truly,
Waste Diversion Ontario



Glenda Gies
Executive Director

cc: Dr. P.K. Misra
Director
Waste Management Branch
Ministry of the Environment