



LAND AND PROPERTY RIGHTS TRIBUNAL

Citation: West Fraser Timber Co. Ltd. v The Provincial Assessor), 2025 ABLPRT 304

Date: 2025-06-13

File No.: DIP24/WEST/DUCH-01

Decision No.: LPRT2025/MG0304

In the matter of a Designated Industrial Property (DIP) Assessment Complaints filed by DuCharme, McMillen & Associates, Canada Ltd., on behalf of West Fraser Timber Co. Ltd. (aka West Fraser Mills Ltd.) for Assessment Year 2023 (AY), for taxation in 2024 (TY).

BETWEEN:

West Fraser Timber Co. Ltd.
(As represented by DuCharme, McMillen & Associates, Canada Ltd.)

Complainant,

- and -

The Provincial Assessor
(As represented by Reynolds Mirth Richards & Farmer)

Respondent.

BEFORE: William Johnston, Presiding Officer

Donna Graham, Case Manager

DECISION

1. On June 5, 2025, the Parties submitted a written Joint Recommendation describing the issues, their reasons, and the agreed-upon revised assessment. This decision is based on the written submission; a hearing is not required.

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

2. The subject complaint pertains to the assessment of a pulp mill situated in Woodlands County, north-central Alberta. The West Fraser Ranger Board facility, located in Blue Ridge, Alberta, is a medium-density fiberboard (MDF) plant originally built in 1986. It produces high-quality MDF panels under the

"Ranger Premium" brand, utilizing 100% western white softwoods, which result in a light, uniform sandy colour ideal for detailed machining and finishing. The facility features a 6' x 24' multi-opening press, enabling the production of a wide range of sizes and densities.

3. The complaint states that the assessment fails to adequately account for the depreciation of Machinery and Equipment (M&E) and Building and Structures (B&S) due to an aging press. The Complainant's position was that a M&E Schedule D Allowance should be granted for the operational deficiencies resulting from structural cracks, aging platens, and increased sanding allowances, which affect production quality and efficiency. A 15% Schedule D depreciation was requested to reflect the cost to cure the press equipment.

4. The Complainant requested that the same percentage reduction as requested for the M&E be applied to the assessment for B&S due to the impact on the M&E held within the buildings.

5. On June 5, 2025, a Joint Recommendation was received by the Tribunal from Reynolds Mirth Richards & Farmer LLP, on behalf of the Respondent (The Provincial Assessor) and signed by DuCharme, McMillien & Associates, Canada Ltd, on behalf of the Complainant (West Fraser Timber Co. Ltd.).

6. The subject complaint pertains to the 2023 assessment year (AY) for the 2024 tax year (TY) assessment for DIPAUD/Roll Number 184256 in Woodland County. The current assessment is as follows:

| Original Assessment | Assessment |
|-------------------------|---------------|
| Building and Structures | \$ 15,399,760 |
| Machinery and Equipment | \$ 48,092,300 |
| | \$ 63,492,060 |

7. The Joint Recommendation, jointly submitted by the parties to the complaint, agrees to an amended assessment as follows:

| Amended Assessment | Assessment |
|-------------------------|---------------|
| Building and Structures | \$ 15,399,760 |
| Machinery and Equipment | \$ 42,091,470 |
| | \$ 57,491,230 |

JOINT RECOMMENDATION

8. The Joint Recommendation letter dated June 5, 2025, was received by the Tribunal and is included as Appendix A. The letter describes the rationale the parties used to establish the joint recommendation as guided by the criteria established in the *Canadian Natural Resources Limited v. Provincial Assessor, 2021 ABLPRT 633* (the CNRL decision). To qualify for Schedule D Depreciation, the loss must meet the following criteria:

- The depreciation may be either abnormal physical, abnormal functional or abnormal economic depreciation.
- The circumstances giving rise to the abnormal depreciation must be site-specific.
- The abnormal depreciation must not already be granted in Schedule C Depreciation.
- The condition must be permanent or long-term, material, and
- The condition must affect the performance of the machinery and equipment.

9. The parties determined that the present condition of the press met the criteria established in the CNRL decision. The recommended Schedule D depreciation reduction of 12.48% was determined based on the estimated cost of a project correcting the condition that caused the abnormal depreciation to occur in 2025.

10. The Parties agreed that the assessment established by the Provincial Assessment for the B&S would remain unchanged.

PANEL FINDINGS AND REASONS

11. The Panel is satisfied that Section 488(1)(a) of the Act gives it the jurisdiction to consider the matter, and Section 499 of the Act gives the Tribunal the authority to amend an assessment.

12. The Panel notes that the Parties have jointly agreed to the assessed values in the joint recommendation and have addressed the matter of additional Schedule D depreciation. The Panel accepts the Joint Recommendation as presented.

13. The assessment is amended as follows. The M&E assessment is reduced to \$42,091,470 from \$48,092,300. The B&S assessment remains constant at \$15,399,760. The total assessment is reduced to \$57,491,230.

Dated at the Town of Olds in the Province of Alberta, this 13th Day of June, 2025.



W. Johnston, LPRT Member

APPENDIX "A"

Joint Recommendation Letter dated June 5, 2025, from Reynolds, Richard and Farmer LLP.

WRITER'S E-MAIL czukiwski@rmrf.com
YOUR FILE DIP24/WEST/DUCH/-01

WRITER'S DIRECT PHONE (780) 497-3350
OUR FILE 101862-086-CMZ

June 5, 2025

Land and Property Rights Tribunal
Attention: Donna Graham
2nd Floor – Summerside Business Centre
1229 – 91 Street SW
Edmonton, AB T6X 1E9

Dear Ms. Graham:

Re: West Fraser Timber Co. Ltd. File No. DIP24/WEST/DUCH/-01

We write to provide the Tribunal with a joint recommendation regarding the 2023 assessment for taxation in 2024 in relation to the above complaint. This recommendation resolves all of the issues in the complaint.

The property owner and the Provincial Assessor jointly agree that in reaching this recommendation they have had regard for the criteria set out in the CNRL decision to qualify for Schedule D abnormal depreciation. We agree that Schedule D of the Machinery and Equipment Minister's Guidelines allows for additional depreciation if the depreciation is either abnormal physical depreciation, abnormal functional depreciation or abnormal economic depreciation. The circumstances giving rise to abnormal depreciation must be site specific, unexpected, not already granted in Schedule C, permanent or long term, and material, such that they affect the performance of the machinery and equipment.

The situation at the subject property concerns the press equipment installed during the 1995 - 1997 expansion of the plant. During that expansion the columns of the press were misaligned. Issues caused by the misalignment began shortly after the 1995 – 1997 expansion and persist to date. The yoke realignment is scheduled in 2025.

The parties agree that the functional problem with the press columns for the assessment year under complaint, was site specific, permanent or long term, unexpected, and as such qualifies for abnormal functional depreciation in Schedule D. The Provincial Assessor's office will review the circumstances in each subsequent assessment year to determine if Schedule D additional depreciation will be granted.

The misalignment of the yokes will be corrected through a project to be undertaken in 2025. This planned project was used as the estimate for the cost to cure calculation to derive the recommended Schedule D depreciation applicable to the press equipment only. The parties confirm that they used the same calculation methodology as was accepted by the Tribunal in the International Paper decision.

| Final Revised Assessment with Proposed Adjustments Applied | | | | |
|---|---------------------------|------------------------------|--|---------------------------|
| Description | Current Assessment | Functional Adjustment | Percent Applied For Cost To Cure + Depreciation | Revised Assessment |
| Land | \$0.00 | NA | NA | \$0.00 |
| B&S (process buildings) | \$15,399,760 | NA | NA | \$15,399,760 |
| M&E | \$48,092,300 | \$6,000,830.00 | 12.48% | \$42,091,470 |
| Total | \$63,492,060 | \$6,000,830.00 | Assessment Total | \$57,491,230 |

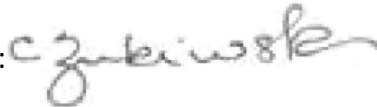
The Parties request that this letter be attached as an Exhibit to the Tribunal's decision implementing this joint recommendation.

Please advise as to whether the Tribunal wishes us to appear to present the recommendation.

Yours truly,

REYNOLDS MIRTH RICHARDS & FARMER LLP


PER:


CAROL M. ZUKIWSKI, LAWYER
CMZ/szi

Joint Recommendation Agreed to by:

DuCharme, McMillen & Associates, Inc.

Per:


Greg Abbott/ Ian Fluney