



OFFICE OF THE
BRITISH COLUMBIA
FERRIES COMMISSIONER

ORDER NUMBER: 15-03

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IN THE MATTER OF

The Final Decision on Price Caps
for the Fourth Performance Term
Pursuant to the *Coastal Ferry Act*

BEFORE: Gordon Macatee, BC Ferries Commissioner
Sheldon Stollen, BC Ferries Deputy Commissioner
(the "commissioners")

ORDER

WHEREAS:

- A. The commissioners issued a preliminary decision on March 18, 2015 regarding price caps for the fourth performance term ("PT4") commencing April 1, 2016 and ending March 31, 2020, as required under subsection 40(2) of the *Coastal Ferry Act* (the "Act");
- B. The commissioners are required to issue a final decision on the price caps for PT4 no later than September 30, 2015 pursuant to subsection 40(4) of the *Act*;
- C. The ferry operator ("BC Ferries") has submitted to the commissioners the most current version of the Coastal Ferry Services Contract ("CFSC") with the Province of British Columbia (the "Province") which has been amended to reflect total ferry transportation fees of \$155,443,368 for each year in PT4;
- D. The commissioners have reviewed the comments received from the public concerning the preliminary price cap decision for PT4;

- E. The commissioners have determined that their assumptions in calculating the set price for fuel incorporated in the preliminary price caps for PT4 are still valid and reasonable;
- F. BC Ferries and the Province have agreed to continue with the amalgamation of all route groups into one route group in PT4 for purposes of price cap regulation;
- G. By Order 12-03 the commissioners authorized the establishment of fuel deferral accounts pursuant to certain terms and conditions for the current performance term.

NOW THEREFORE the commissioners order that:

- 1. In consideration of the amendments to the CFSC, the price cap index for the amalgamated route group will be increased by 1.9% annually from April 1, 2016 to the end of PT4 on March 31, 2020.
- 2. BC Ferries is authorized to maintain fuel deferral accounts in PT4 in accordance with terms and conditions to be set out in a separate order.
- 3. BC Ferries is required to submit a fuel management plan prior to the start of PT4 setting out strategies for fuel procurement, minimizing fuel consumption and the transition to alternate fuels during PT4. BC Ferries must provide a report on the outcomes of their fuel management plan as part of their submission for performance term five.
- 4. The price cap index shall be reset to 100 at the commencement of PT4.

DATED at Victoria in the Province of British Columbia, this 16th day of September 2015.

BY ORDER



Gordon Macatee
BC Ferries Commissioner



Sheldon Stoilen
BC Ferries Deputy Commissioner