



BRITISH COLUMBIA
FERRY COMMISSION

ORDER
NUMBER: 12-03A

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IN THE MATTER OF

Establishment of Fuel Deferral Accounts Pursuant to Section 41.1(1) of the *Coastal Ferry Act*
and Request for Change in Reporting Timeline by British Columbia Ferry Services Inc.

BEFORE: Gordon Macatee, BC Ferries Commissioner
Sheldon Stollen, BC Ferries Deputy Commissioner

ORDER

WHEREAS:

- A. The BC Ferries Commissioner and the BC Ferries Deputy Commissioner (collectively the “commissioners”) issued Order 12-03 dated September 30, 2012 authorizing the establishment of fuel deferral accounts pursuant to Section 41.1(1) of the *Coastal Ferry Act*;
- B. Paragraphs 4 and 5 of Order 12-03 require British Columbia Ferry Services Inc. (“BC Ferries”) to submit for each fiscal year of Performance Term Three:
 - (1) A plan for approval by the commissioner setting out targets for fuel consumption reduction;
 - (2) A report on the results of its fuel consumption reduction measures;
 - (3) An update on its plan to transition to use of alternate fuels;
 - (4) A plan for approval by the commissioner setting out its strategies for cost effective fuel procurement; and
 - (5) A report on the effectiveness of those strategies.
- C. Paragraphs 4 and 5 of Order 12-03 intended to set the timeline for BC Ferries’ submission of the plans and information referred to in Recital B for the remaining years of Performance Term Three at 30 days prior to the start of the next fiscal year;

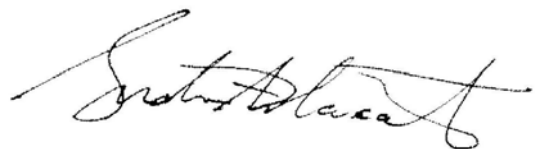
- D. Pursuant to an application dated January 10, 2013 (Appendix A), BC Ferries has requested a revision to the timeline for the submission of the plans and information required under Order 12-03;
- E. In its application, BC Ferries cites the ability to provide a more complete picture of its fiscal year if the reporting requirements fall after its March 31 fiscal year end, the time it takes for the finalization of each month's fuel invoices and consumption numbers and its objective of ensuring consistency of reported results with audited statements, as its basis for requesting that the reporting timeline for the submission of the plans and information required under Order 12-03 be set no earlier than 90 days after the end of each fiscal year; and
- F. The commissioners find BC Ferries' request in this matter to be generally reasonable although consider that the interests of ferry users and taxpayers will be best served if the reporting timeline is not left open ended. While accepting that the reporting timeline should be no earlier than 90 days after the end of each fiscal year, it should not be later than 90 days after the end of each fiscal year.

NOW THEREFORE pursuant to section 41.1(1) of the *Coastal Ferry Act* the commissioners order that:

1. For the remaining fiscal years of Performance Term Three, the commissioners vary the reporting requirement for the submission of the plans and information referred to in Paragraphs 4 and 5 of Order 12-03 from 30 days prior to the start of the next fiscal year of BC Ferries to a date of no later than 90 days after the end of each fiscal year of BC Ferries.

DATED at Victoria in the Province of British Columbia, this 28th day of February, 2013.

BY ORDER



Gordon Macatee
BC Ferries Commissioner



Sheldon Stoilen
BC Ferries Deputy Commissioner

APPENDIX A

An Application Pursuant to Section 41.1(1) of the
Coastal Ferry Act Requesting a Change in Reporting
Timeline

Submitted to the BC Ferry Commission
by the
British Columbia Ferry Services Inc.



EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER

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January 10, 2013

Mr. Gordon Macatee
BC Ferry Commission
RPO Box Hillside
Box 35119
Victoria, BC V8T 5G2

Dear Mr. Macatee:

RE: ORDER 12-03 – FUEL REPORTS – TIMING CONSIDERATIONS

We appreciate the opportunity to provide suggestions regarding timelines for the submission of the annual fuel-related reports as set out in Order 12-03.

For each fiscal year of Performance Term Three, Order 12-03 requires British Columbia Ferry Services Inc. (BC Ferries) to submit the following information 30 days prior to the start of the next fiscal year:

- a plan for the Commissioner's approval setting out targets for fuel consumption reduction;
- a report on the results of our fuel reduction measures;
- an update on our plan to transition to use of alternate fuels; and
- a plan setting out our strategies for cost effective fuel procurement, and a report on the effectiveness of the strategies.

BC Ferries' fiscal year ends on March 31. If we were to submit the required information 30 days before the end of the fiscal year, we would not be able to include relevant data from March. By contrast, a more complete picture for the fiscal year would be available if the reporting requirement fell after the end of the fiscal year. Given that it takes time for each month's fuel invoices and consumption numbers to be finalised, and also to ensure consistency of reported results with our year-end audited financial statements, BC Ferries requests that our reporting timelines be set no earlier than 90 days after the end of each fiscal year.

Thank you for your consideration. If you require any further information on this matter, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert R. Clarke", written over a horizontal line.

Robert R. Clarke, CGA
Executive Vice President & Chief Financial Officer