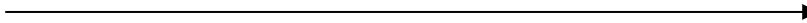




Average Fare Index Summary

		PT4 						
		Sep-2017	Dec-2017	Mar-2018	Jun-2018	Sep-2018	Dec-2018	Mar-2019
System	Cap	103.08	103.48	103.84	104.34	105.02	105.45	105.81
	Actual	101.23	101.83	102.11	100.87	98.99	98.28	97.66

- Price cap and price compliance indices are calculated in accordance with Commission orders 05-01, 11-03 and 15-03.

-The annual price cap increase for each fiscal year is phased in over four quarters. The amount phased in will vary from quarter to quarter as it is based on proportions of revenue received in the previous year for that quarter. The amount of the phase in for a particular quarter can vary from year to year due to variations in prior year revenue. Such variations can be caused, for example, by the timing of promotions and changes in the timing of Easter. (Easter occurs in either Quarter 1 or Quarter 4)

-Note that the price compliance index calculation may require restatement depending on the outcome of a challenge of a recent CRA audit finding. A CRA audit concluded that reservation fee revenue is a separate supply from ferry travel and is subject to GST. In adherence to accounting principles, BC Ferries has recorded the GST payable in its financial statements. However, BC Ferries strongly disagrees with the finding and anticipates that it will be reversed, and as a result has not included this amount in the actual tariff revenue used in regulated reporting. If it is not successful with its challenge, the price compliance index will be recalculated to reflect the GST payment and lower tariff revenue.

-Results reflect the recent agreement between BC Ferries and the Province which, effective April 1, 2018, froze fares on the three major routes between Vancouver Island and Metro Vancouver, reduced fares by 15% on all other routes, and restored free passenger fares for B.C. seniors Monday through Thursday, except Holidays, on the non-northern routes.