

# RECORD OF MEETING

**BRITISH COLUMBIA FERRY COMMISSION (BCFC)  
BRITISH COLUMBIA FERRY SERVICES INC. (BCFS)  
QUARTERLY COMPLIANCE MEETING**

<b>DATE:</b> December 10, 2014	<b>TIME:</b> 10:00 a.m. – 4:00 p.m.	<b>SITE:</b> 1321 Blanshard Street Victoria, BC
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<b>ATTENDANCE:</b>  <b>BCFC:</b> Gord Macatee Sheldon Stoilen  <b>BCFS:</b> Rob Clarke Cynthia Lukaitis Jim Murray Alana Gallagher David Hendry Joanne Carpendale Shirley Bains Jason Eamer-Goult  <b>Others:</b> David Egan	Commissioner Deputy Commissioner  Executive Vice President & Chief Financial Officer Vice President & Corporate Secretary Comptroller Treasurer Director, Strategic Planning Director, Corporate Planning Manager, Accounting & Reporting Manager, Regulatory & Freedom of Information  Partner, Consulting & Deals, Pricewaterhouse Coopers LLP
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**1. ADOPTION OF AGENDA**

The agenda was approved as circulated, with some re-ordering of agenda items and the deletion of agenda items 7.a. Efficiency Plan – Next Steps and 7.c. 12-Year Capital Plan, which were discussed in an in-camera session prior to the meeting.

**2. RECORD OF MEETING**

**a. September 10, 2014 Quarterly Meeting**

**b. Action Items**

The record of the September 10, 2014 quarterly meeting and action items were reviewed and approved.

**3. FISCAL 2015 - QUARTER ENDED SEPTEMBER 30, 2014 ("Q2") COMPLIANCE REPORTS**

**a. Q2 Price Caps**

A report prepared by BCFS comparing the quarterly average fare index with the quarterly price cap index by route group for the seven quarters ended September 30, 2014 was reviewed and discussed. The report indicates BCFS' compliance with all regulatory

requirements, including section 45.3 of the *Coastal Ferry Act* ("CFA"), in respect of the average fares charged in the quarter.

**b. Q2 Core Service Levels**

Reports prepared by BCFS on its performance against core service levels as set out in the Coastal Ferry Services Contract for the quarter ended September 30, 2014 were reviewed and discussed. The reports indicate BCFS' compliance with the core service level requirements in the quarter.

**c. Q2 Drop Trailer**

**i. Forecast**

BCFS' calculation of its average drop trailer tariff for the quarter ended September 30, 2014 was reviewed and discussed. The calculation indicates that BCFS has complied with the Minimum Allowed Average Tariff for the quarter based on the methodology set out in Order 11-01A. BCFS reported on the expected timeframe within which the volume set out in paragraph 5 of Order 11-01A will be reached.

**d. Q2 Complaints Resolution**

BCFS' complaints resolution report for the quarter ended September 30, 2014, prepared in accordance with Memoranda 40 and 40A, was reviewed and discussed.

**4. FUEL DEFERRAL ACCOUNTS**

**a. Balance at October 31, 2014**

A report prepared by BCFS on the deferred fuel account balances as at October 31, 2014 was reviewed and discussed. The report indicates that BCFS has complied with terms and conditions for Fuel Deferral Accounts set out in Order 12-03.

**b. Forecast**

BCFS's projections for the regulatory account balances were discussed. BCFS reported on its recent fuel hedging activities and the expected timing for the removal of the current fuel surcharge.

**7. PERFORMANCE TERM FOUR ("PT4")**

**b. Fuel Set Price – update**

There was a discussion of the set price for PT4, as well options to mitigate fuel price risk through PT4.

**5. SECTION 55**

**a. Fare Flexibility & Digital Experience Initiative (ROCCET) - status**

BCFC reported on the status of its review of BCFS' application for the Fare Flexibility & Digital Experience Initiative submitted in accordance with section 55 (2) of the CFA.

**b. Application Review Process**

There was a discussion of additional information which could be included in future applications submitted by BCFS in accordance with section 55 (2) of the CFA, so as to expedite BCFC's review process.

**6. PERFORMANCE REVIEWS**

There was a discussion about BCFC's information requirements for the various performance reviews being conducted.

**7. PERFORMANCE TERM FOUR (cont'd)**

**d. Other Matters**

- **PT4 Supplemental Information Requirements**

BCFC identified additional information requirements in support of its price cap setting exercise for PT4.

- **Alternative Service Delivery ("ASD")**

Discussion occurred in respect of a possible ASD opportunity which could be pursued by BCFS in PT4.

**8. MAJOR PROJECT UPDATES**

**a. Intermediate Class Vessels Project**

**b. Cable Ferry Project**

BCFS provided status reports on the intermediate class vessels project and the cable ferry project.

**c. Automated Customer Experience ("ACE")**

BCFS provided an update with regard to the ACE program.

- i. Timing of Next Phase of PwC Service Review**

The timing for the next phase of the performance review of the ACE program in accordance with section 46.1 of the CFA was discussed.

**9. EMPLOYEE TRAVEL PASSES**

There was a discussion about the BCFS employee travel pass program.

**10. OTHER BUSINESS**

Nil

**11. NEXT MEETING**

The next BCFC / BCFS quarterly meeting is scheduled for March 11, 2015.

**12. TERMINATION**

The meeting terminated.