

RECORD OF MEETING

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

DATE: December 7, 2015	TIME: 10:00 a.m. – 4:00 p.m.	SITE: 1321 Blanshard Street Victoria, BC
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ATTENDANCE:	
BCFC: Gord Macatee Sheldon Stollen	Commissioner Deputy Commissioner
BCFS: Dennis Dodo Cynthia Lukaitis Mark Collins Alana Gallagher Shirley Bains David Hendry Joanne Carpendale Jason Eamer-Goult Elke Kite Peter Simpson Mark Wilson Rob Clarke	Chief Financial Officer Vice President & Corporate Secretary Vice President, Strategic Planning & Community Engagement Treasurer Corporate Controller Director, Strategic Planning Director, Corporate Planning Manager, Regulatory & Freedom of Information Customer Relations Manager (agenda item 3.d.) Director, Fleet Operations Strategy (agenda item 5.) Vice President, Engineering (agenda items 7.b. and c. and 8.a.) Executive Sponsor, Major IT Projects (agenda item 8.b.)

1. ADOPTION OF AGENDA

The agenda was approved as circulated, with some reordering of agenda items.

2. RECORD OF MEETING

a. September 10, 2015 Quarterly Meeting

The record of the September 10, 2015 quarterly meeting was reviewed and approved.

8. UPDATES

b. Major IT Projects

BCFS provided an update with regard to the Automated Customer Experience program and the Fare Flexibility and Digital Experience Initiative.

a. Salish Class Vessels

BCFS gave a progress report with regard to the Salish class vessels construction project.

7. SECTION 55 FILINGS

b. Filings Update

i. Cable Ferry Project

BCFS has taken ownership of the *Baynes Sound Connector*, with the title transferred from Seaspan's Vancouver Shipyards. BCFS reported on the target in-service date for the vessel. There was discussion of next steps by BCFS to address the conditions set out in BCFC Order 14-01 approving the major capital expenditure for the vessel and its associated infrastructure.

ii. Spirit Class Mid-life Upgrades Project

BCFS provided an update on the procurement process to identify a shipyard for the Spirit Class vessels mid-life upgrades project.

c. Potential Filings

BCFS provided an update with regard to potential upcoming filings for major capital expenditures under section 55 of the *Coastal Ferry Act*.

2. RECORD OF MEETING (Cont'd)

b. Action Items

The action items from the September 10, 2015 quarterly meeting were reviewed and approved.

3. FISCAL 2016 – 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 eight quarters ended September 30, 2015 was reviewed and discussed. The report indicates BCFS' compliance with all regulatory requirements, including section 45.3 of the *Coastal Ferry Act*, 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, 2015 were reviewed and discussed. The reports indicate BCFS' compliance with the core service level requirements in the quarter.

c. Q2 Drop Trailer

BCFS' calculation of its average drop trailer tariff for the quarter ended September 30, 2015 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.

d. Q2 Complaints Resolution

BCFS' complaints resolution report for the quarter ended September 30, 2015, prepared in accordance with Memoranda 40 and 40A, was reviewed and discussed.

4. FUEL DEFERRAL ACCOUNTS

a. Balance at October 31, 2015

A report prepared by BCFS on the deferred fuel account balances as at October 31, 2015 was reviewed and discussed. The report tabled by BCFS indicates that it has complied with terms and conditions for fuel deferral accounts set out in Order 12-03.

b. Forecast

BCFS' projections for the regulatory account balances were discussed.

5. CAPACITY UTILIZATION AND SERVICE LEVELS

There was a discussion of approaches for determining appropriate levels of service on routes to achieve optimum capacity utilization. It was noted that factors such as cost and distance would affect optimum levels on a route by route basis.

6. PERFORMANCE REVIEWS

BCFC identified aspects of BCFS' operations that will be the subject of upcoming performance reviews under section 46.1 of the *Coastal Ferry Act*.

7. SECTION 55 FILINGS (Cont'd)

a. Conditions Status Update

BCFS's progress in meeting the conditions set out in BCFC's orders approving major capital expenditures under section 55 of the *Coastal Ferry Act* was reviewed and discussed.

8. UPDATES (Cont'd)

c. Fare Promotions

BCFS provided an update with regard to the outcomes and learnings from the fare promotions recently completed and those currently underway.

d. Community Engagement

BCFS provided a briefing with respect to matters related to community engagement.

9. COMMERCIAL BUSINESS

BCFC advised of its newspaper notices and confirmed that the deadline for comments or submissions by BCFS and/or other interested parties on BCFS's drop trailer services is January 15, 2016.

10. OTHER BUSINESS

Nil

11. NEXT MEETING

The next BCFC / BCFS quarterly meeting is scheduled for March 10, 2016.

12. TERMINATION

The meeting terminated.