



BRITISH COLUMBIA  
FERRY COMMISSION

ORDER  
NUMBER: 07-01A

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**IN THE MATTER OF  
Statutes of British Columbia Bill 18 - 2003  
The Coastal Ferry Act Section 40**

And

Amended Final Decision on Price Caps for Performance Term 2008-2012

**BEFORE:** Martin Crilly, Commissioner

**D E C L A R A T I O N**

**WHEREAS:**

- A. By Order 07-01 dated September 18, 2007 the commissioner provided the price cap increases for BC Ferries for the second performance term, commencing April 1, 2008 and ending March 31, 2012, as required by Sec. 40(2) of the Coastal Ferry Act;
- B. The calculation of the price caps in Order 07-01 included an incorrect adjustment for the cost of new vessels on the major route group;
- C. The commissioner has recalculated the price cap for the major route group and considers the effect of the change to be sufficiently material to require an amendment to the price caps for performance term two for the major route group;

**NOW THEREFORE** the commissioner declares:

The price cap indexes for the route groups shown in Order 07-01 are replaced with the values shown in Schedule A of this order, which are equal to price cap increases as follows.

- On April 1, 2008, starting from a level which includes the fuel surcharges in place at March 31 2008:
  - for the major route group 7.3% (previously 6.4%); and
  - for all other route groups 4.0%.(unchanged from order 07-01)
- On each of April 1, 2009, 2010, and 2011:
  - for the major route group 2.7% (previously 2.0% ) plus 0.49 times the latest reported annual increase in the Consumer Price Index for British Columbia;
  - for all other route groups 5.7% plus 0.73 times the latest reported annual increase in the Consumer Price Index for British Columbia (unchanged from order 07-01).

All other conditions relating to the fuel rebate/surcharge mechanism, differences between forecast and actual deferral account balances at March 31, 2008 and variations between actual and forecast levels of capital expenditure in performance term two, as stated in Order 07-01, remain unchanged.

An adjustment to the price caps shall be made if the rebate of import duty and related GST on new vessels are directed to the benefit of ferry customers.

**DATED** at Comox in the Province of British Columbia, this 21st day of December 2007.

BY ORDER

A handwritten signature in black ink, appearing to read 'M Crilly', written in a cursive style.

Martin Crilly

Commissioner  
BC Ferry Commission

SCHEDULE A

**Price Cap Index Values for Performance Term Two**

Route group number	Route group name	Value of Price Cap Index at March 31 (April 1 2003 = 100)			
		2009	2010	2011	2012
1	Majors	133.2	increase each year over previous year by 2.7% plus 0.49 times CPI increase**		
2	Route 3	143.2	increase each year over previous year by 5.7% plus 0.73 times CPI increase**		
3*	Northern	147.4			
4*	Minors	149.1			

\*Route groups numbered 3 (northern) and 4 (minors) are newly established for performance term two by the Coastal Ferry Services Contract as amended June 30 2007.

\*\*Commission Memorandum 26 of December 17 2007 describes how the appropriate CPI increase shall be determined.

SCHEDULE B

**Forecast Fuel Deferral Account Balances at March 31 2008**  
used by the commissioner for determining price caps  
for performance term two

Route group number	Route group name	Forecast fuel deferral account balance at March 31 2008
1	Majors	\$ 12,991,770
2	Route 3	\$ (98,730)
3	Northern	\$ 2,253,077
4	Minors	\$ 3,355,116
	<b>TOTAL</b>	<b>\$ 18,501,233</b>