



## Average Fare Index Summary

		← PT3		PT4 →				
		Dec-2015	Mar-2016	Mar-2016	Jun-2016	Sep-2016	Dec-2016	Mar-2017
<b>System</b>	<b>Cap</b>	<b>116.31</b>	<b>117.15</b>	<b>100.00</b>	<b>100.48</b>	<b>101.13</b>	<b>101.53</b>	<b>101.90</b>
	Actual	115.23	115.85	98.87	99.55 *	100.68	101.35	101.53

- 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.

\* Revised and Restated as of September 26, 2016