

August 29, 2017

Mr. Gordon Macatee
British Columbia Ferries Commissioner
BC Ferry Commission
PO Box 9279
Victoria, BC V8W 9J7

Dear Mr. Macatee:

Re: Baynes Sound Connector – Service Reliability

We write in regard to British Columbia Ferry Services Inc.'s ("BC Ferries" or the "Company") application pursuant to section 55(2) of the *Coastal Ferry Act* for the Buckley Bay to Denman Island Cable Ferry Project (the "Application") and the Commission's request for an update as to whether the *Baynes Sound Connector's* service reliability is consistent with the Company's expectations as set out in the Application.

In its Application, the Company stated the following:

"BC Ferries committed to ensuring the same level of service reliability as is provided by the vessel now deployed on the route (Quinitsa). The service reliability of the Quinitsa on Route 21 is among the highest of BC Ferries' fleet, with very few weather-related service disruptions. A less rigorous service standard would meet the requirements of the Coastal Ferry Services Contract with the Province of British Columbia ("CFSC"). However, in response to concerns raised during the consultation process, BC Ferries has conducted significant incremental engineering and analysis to design the vessel, terminals and cable system to replicate the standard of service now provided by the Quinitsa." [page 5]

"The cable ferry has been designed to provide a comparable level of service to that now provided by the Quinitsa ... BC Ferries expects there to be minimal weather related disruption with the cable ferry, with it being expected that there will be five sailings per year (0.04 percent) on average that may be cancelled due to adverse weather conditions." [page 10]

"[The Project will be engineered] to provide an equivalent standard of weather-related service reliability as is provided by the existing vessel [the Quinitsa]..." [page 12]

BC Ferries confirms that during its time in service (February 9, 2016 to July 31, 2017), the *Baynes Sound Connector* has had no weather-related sailing cancellations and its reliability from a mechanical perspective has been over 99 percent.

Overall, during this same period, a total of 7,619.5 round trips or 15,239 sailing legs between one terminal and the other were delivered by the *Baynes Sound Connector*. The vessel operates well and is quicker than the previous service on the route provided by the *Quinitsa* in docking, unloading and reloading, which allows more shuttle runs per day than was previously possible. However, as with all vessels in the fleet, there have been cancellations of scheduled sailings for a variety of reasons unrelated to weather, including medical incidents and crewing issues.

In addition, during its time in service, the *Baynes Sound Connector* has had eight separate vessel or terminal mechanical incidents which led to a total of 49 missed scheduled sailing legs, representing 0.3 percent of the total sailing legs delivered on Route 21 during this period. We note that further sailing cancellations arising from these incidents were mitigated by having the *Quinitsa* available to provide relief service on 81 sailing legs. The ability to deploy the *Quinitsa* to address these service disruptions was part of the Company's contingency plan as described in the Application.

As previously described to the Commission, the cable ferry is an integrated system comprising new terminals, a tri-cable tensioned system and the vessel itself. While the system is performing well, as with any new vessel, there have been some mechanical issues that can be attributed to the system "break-in period". BC Ferries believes that all of the problems have been fully remediated.

As BC Ferries builds its experience with the integrated cable ferry system, and as the "break-in period" comes to an end, the Company expects the frequency of mechanical breakdowns to diminish the vessel will likely operate above fleet norms.

Sincerely,



Cynthia M. Lukaitis
Vice President and Corporate Secretary

Copy: Sheldon Stoilen, Deputy British Columbia Ferries Commissioner