



OFFICE OF THE
BRITISH COLUMBIA
FERRIES COMMISSIONER

ORDER NUMBER: 19-04

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IN THE MATTER OF

The Final Decision on Price Caps
for the Fifth Performance Term
Pursuant to the *Coastal Ferry Act*

BEFORE: Sheldon Stoilen, British Columbia Ferries Commissioner (“commissioner”)
Eva Hage, British Columbia Ferries Deputy Commissioner
(together the “commissioners”)

ORDER

WHEREAS:

- A. Pursuant to subsection 40(2) of the *Coastal Ferry Act* (the “Act”), on April 1, 2019 the commissioner published his report on his preliminary decision regarding price caps for the fifth performance term (“PT5”) commencing April 1, 2020 and ending March 31, 2024 (“Preliminary Decision”);
- B. The commissioners are required to issue a final decision on the price caps for PT5 no later than September 30, 2019 pursuant to subsection 40(3) of the *Act*;
- C. The ferry operator (“BC Ferries”) has submitted to the commissioners the Coastal Ferry Services Contract (“CFSC”) for PT5 which sets annual ferry transportation fees at \$194,045,882 and continues one consolidated route group for the performance term;
- D. On September 5, 2019 BC Ferries filed a supplemental submission with the commissioners entitled “Additional Information for Consideration For the Final Price Cap Decision For the Fifth Performance Term” (“Supplemental Submission”);
- E. On September 13, 2019 The Ministry of Transportation and Infrastructure filed a response to BC Ferries’ Supplemental Submission;

- F. In accordance with subsection 40(4) of the *Act* the commissioners have reconsidered the Preliminary Decision in light of:
- (a) the CSFC for PT5;
 - (b) additional information received from BC Ferries and the government; and
 - (c) public comments received as a result of publishing the Preliminary Decision.
- G. The commissioners have also considered the public interest as required pursuant to amendments made to the *Act* after the Preliminary Decision; and
- H. The commissioners have summarized their determinations in their Report attached hereto.

NOW THEREFORE the commissioners order that:

1. The price cap index for the consolidated route group will be increased by 2.3% annually from April 1, 2020 to the end of PT5 on March 31, 2024;
2. BC Ferries shall maintain the existing fuel deferral accounts under terms and conditions contained in Order 15-03A;
3. The set price for fuel for the operation of fuel deferral accounts, being a required input for the calculation of fuel surcharges or rebates, shall be \$1.03 per litre for marine diesel and 46.9 cents per diesel litre equivalent for LNG in the first year of PT5 and inflated by 2% per year for the balance of PT5; and
4. BC Ferries shall implement a process for tracking progress towards achieving the efficiency target equivalent to 1% of annual operating, maintenance and administration costs, hereby established by this order for PT5.

DATED at Victoria in the Province of British Columbia, this 30th day of September 2019.

BY ORDER



Sheldon Stoilen
British Columbia Ferries Commissioner



Eva Hage
British Columbia Ferries Deputy Commissioner