

BC Ferry Commission  
MEMORANDUM 33

To: Mr. Rob Clarke  
Executive Vice President and  
Chief Financial Officer, BCFS

From: Martin Crilly  
BC Ferry Commissioner

Date: March 3, 2009

**Re: Price Cap Index For March 31 2010**

Commission Order 07-01A provided a CPI -related formula for setting price caps through the second performance term, i.e. to March 31 2012.

Commission Memorandum 26 detailed how the relevant CPI rate of increase should be derived from Statistics Canada published data.

This Memorandum shows (see page 2) the calculation of the price cap increase for the coming year using these procedures. The result is a price cap increases effective April 1 2009:

- 3.74% for the major route group and
- 7.25% for other route groups.

These increases will mean that by March 31 2010, the values of the price cap indices for the four groups will rise to the values shown in Table 3 on page 2.



**BC Ferry Commission  
Calculation of Price Cap Index at March 31 2010**

**Table 1:** BC Consumer Price Index  
<http://www.bcstats.gov.bc.ca/pubs/cpi/cpidata.pdf>  
selected in accord with Commission Memorandum 26 available at  
[http://www.bcferrycommission.com/BCFCMemo026reCPIforPcap\\_copy.pdf](http://www.bcferrycommission.com/BCFCMemo026reCPIforPcap_copy.pdf)

	2007	2008	CPI In-crease %
January	109.0	109.9	0.83
February	109.1	110.3	1.10
March	109.5	110.8	1.19
April	109.9	111.8	1.73
May	110.5	112.8	2.08
June	110.3	113.6	2.99
July	110.5	114.2	3.35
August	110.4	114.0	3.26
September	110.5	114.1	3.26
October	110.0	112.8	2.55
November	110.1	112.3	2.00
December	110.1	111.4	1.18
Annual			2.13

**Table 2** is copied from Schedule A of Order 07-01A  
available at [http://www.bcferrycommission.com/Order0701A\\_copy.pdf](http://www.bcferrycommission.com/Order0701A_copy.pdf)

Route group num-ber	Route group name	Value of Price Cap Index at March 31 (April 1 2003 = 100)			
		2009	2010	2011	2012
1	Majors	133.25	increase each year over previous year by 2.7% plus 0.49 times CPI increase		
2	Route 3	143.22	increase each year over previous year by 5.7% plus 0.73 times CPI increase		
3	Northern	147.42			
4	Minors	149.15			

**Table 3** computes the price cap index at March 31 2010  
applying the formulae in Table 2 above

Route group num-ber	Route group name	Value of Price Cap Index at March 31 (April 1 2003 = 100)		
		2009	increase*	2010
1	Majors	133.25	3.74%	138.23
2	Route 3	143.22		153.60
3	Northern	147.42	7.25%	158.11
4	Minors	149.15		159.96

\*from Table 1