



BRITISH COLUMBIA
FERRY COMMISSION

ORDER
NUMBER: 05-05

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IN THE MATTER OF
Statutes of British Columbia Bill 18-2003
Coastal Ferry Act
And
An Application by British Columbia Ferry Services Inc.
To reduce service on Designated Route 26

BEFORE: Martin Crilly, Commissioner on November 20, 2005

ORDER

WHEREAS:

- A. British Columbia Ferry Services Inc. ("BC Ferries") has applied to the Commissioner for authorization to extend the term of the temporary service reduction on the above designated route, pursuant to Section 43 of the Act. The Commissioner authorized the original temporary service reduction in Order 05-04, dated September 10, 2005. This further application for an extension of the Order is described in a letter dated November 7, 2005, attached, from the Executive Vice President, Finance and Chief Financial Officer of BC Ferries; and
- B. The Commissioner has received further information from BC Ferries in relation to the application for this extension. The information indicates that, on the grounds of cost and practicality, no reasonable alternative exists to the temporary service arrangements on the route, which result in a reduction in daily service time and, therefore, in availability of service; and
- C. The Commissioner is of the opinion that the extension of the period of service reduction is for an extraordinary situation.

NOW THEREFORE the Commissioner orders as follows:

The extension of the period of reduction in service until December 20, 2005, as described in the attached letter of application, is authorized.

DATED in Comox, in the Province of British Columbia, this 20th day of November 2005

BY ORDER

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

Martin Crilly
British Columbia Ferries Commissioner

November 7, 2005

Mr. Martin Crilly
British Columbia Ferry Commissioner
290 Longview Road
Comox, BC
V9M 3T7

Dear Mr. Crilly:

SUBJECT: Notice of Extended Refit for M.V. Kwuna

On September 10, 2005, the BC Ferries Commissioner granted BC Ferries a temporary service disruption on Route 26 (Skidegate to Alliford Bay) while the vessel, M.V. Kwuna, underwent a comprehensive refit that included replacing the engines, propulsion drives, ramps, generators and switchboard. The Commissioner's Order allowed for a return to service date of November 21, 2005.

Recently, BC Ferries received notice from the shipyard (Deas Pacific Marine Inc.) performing the Kwuna refit work that the vessel will be delayed by two weeks and will, therefore, not make the November 21 delivery date. The reason for the delay is that parts were not delivered on time from the manufacturer. The revised shipyard completion date is now the end of November and, with transit time required to return the vessel to the Queen Charlotte Islands, it is anticipated a new return to service date is December 20th.

As stated in the first request for a temporary service reduction, BC Ferries has contracted for a tug and barge service and is providing the same number of round trips (12) as specified in the Coastal Ferry Services Contract (CFSC). In fact, this tug and barge service deviates from the CFSC only in terms of the hours of operation. The CFSC specifies 15 hours, whereas the tug and barge service is operating on a 13 ½ hour day. For this reason, BC Ferries believes that providing the tug and barge service meets the spirit and intent of the CFSC.


However, given the M.V. Kwuna will be further delayed, BC Ferries is seeking one of the following:

- If the BC Ferries Commissioner agrees that the temporary service provided by a tug and barge is meeting the spirit and intent of the CFSC, then BC Ferries is requesting confirmation in writing from the Commissioner that the service is meeting the requirements of the CFSC, or,

- If the BC Ferries Commissioner believes that the current tug and barge service does not meet the requirements of the CFSC, then BC Ferries is requesting a further temporary service disruption Order allowing a further delay. In considering a date, BC Ferries has allowed for additional time in the shipyard as well as allowing for weather delays to transit the vessel back to the Queen Charlotte Islands, given the time of year; and is therefore requesting a return to service date of December 20th, 2005.

BC Ferries will work with the shipyard to minimize any further disruption. We will also ensure further notification is provided to the impacted communities. Please feel free to contact me if you require further information.

Yours truly,



Rob Clarke
Executive Vice President, Finance
and Chief Financial Officer

cc: Trafford Taylor, EVP Operations, BC Ferries
Carol Prest, Director, BC Ferries