An Explanation of the COLA Calculation: 60 per cent change

COLA is a measure of the change in the *Alberta Consumer Price Index (ACPI)* monthly values reported by Statistics Canada. COLA is determined by taking the sum of the 12 most recent *ACPI* values (leading months, ending October 2016) and dividing by the sum of the previous 12 months (trailing months, ending October 2015).

The rate of 0.78 per cent COLA effective January 1, 2017 is calculated as follows:

$$\frac{\text{Total } ACPI \text{ (November 2015 to October 2016)}}{\text{Total } ACPI \text{ (November 2014 to October 2015)}} - 1 \times 60\% = \text{COLA}$$

[(1,620.30 / 1,600.10)* – 1] x 60% = 0.78% January 1, 2017

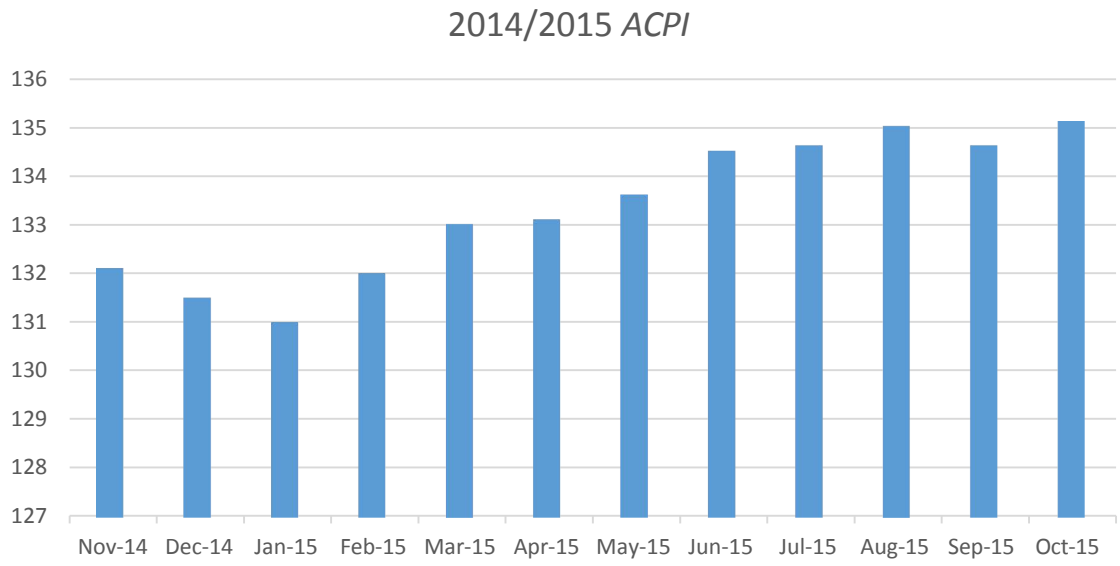
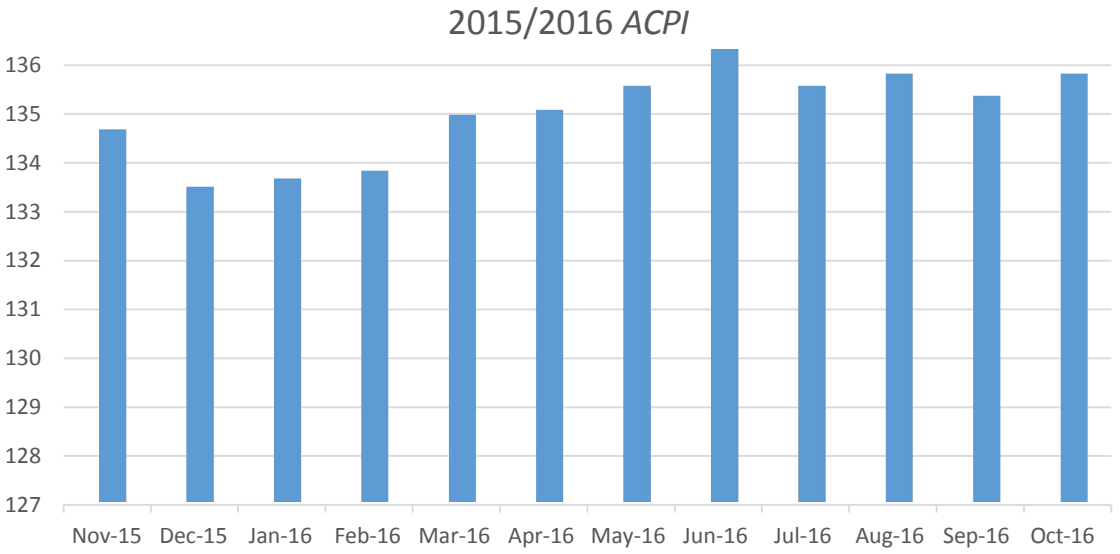
* Results rounded to three decimal places

Appendix I

Appendix I shows the monthly *ACPI* values in a table along with the corresponding 60 per cent of the monthly year over year percentage changes from November 2014 through October 2016.

ACPI Values Nov 2014 to Oct 2016	2014/2015 *ACPI*	2015/2016 *ACPI*	60% of Monthly Year-Over-Year Change*
November	132.1	134.7	1.20%
December	131.5	133.5	0.90%
January	131.0	133.7	1.26%
February	132.0	133.8	0.84%
March	133.0	135.0	0.90%
April	133.1	135.1	0.90%
May	133.6	135.6	0.90%
June	134.5	136.3	0.78%
July	134.6	135.6	0.42%
August	135.0	135.9	0.42%
September	134.6	135.3	0.30%
October	135.1	135.8	0.30%
Total	1600.1	1620.3	

Appendix II
Appendix II displays the changes in the *ACPI* over a two-year period from November 2014 through October 2016.

2017 Indexing Calculation

Total *ACPI* (Nov. 2014 to Oct. 2015)	1,600.1
Total *ACPI* (Nov. 2015 to Oct. 2016)	1,620.3