

COLA Calculation Explanation

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 2017) and dividing by the sum of the previous 12 months (trailing months, ending October 2016).

The rate of 0.78 per cent COLA effective January 1, 2018, is calculated as follows:

$$\frac{\text{Total ACPI (November 2016 to October 2017)}}{\text{Total ACPI (November 2015 to October 2016)}} - 1 \times 60\% = \text{COLA}$$

$$[(1,640.9 / 1,620.30)^* - 1] \times 60\% = 0.78\% \text{ January 1, 2018}$$

* 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 2015 through October 2017.

<i>ACPI</i> Values Nov 2015 to Oct 2017	2015/2016 <i>ACPI</i>	2016/2017 <i>ACPI</i>	60% of Monthly Year-Over-Year Change*
November	134.7	135.0	0.13%
December	133.5	134.9	0.63%
January	133.7	137.0	1.48%
February	133.8	136.7	1.30%
March	135.0	136.8	0.80%
April	135.1	137.4	1.02%
May	135.6	137.2	0.71%
June	136.3	136.9	0.26%
July	135.6	137.0	0.62%
August	135.9	137.4	0.66%
September	135.3	137.0	0.75%
October	135.8	137.6	0.80%
Total	1620.3	1640.9	



Appendix II

Appendix II displays the changes in the *ACPI* over a two-year period from November 2015 through October 2017.

2018 Indexing Calculation

Total <i>ACPI</i> (Nov. 2015 to Oct. 2016)	1620.3
Total <i>ACPI</i> (Nov. 2016 to Oct. 2017)	1640.9

