

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 2018) and dividing by the sum of the previous 12 months (trailing months, ending October 2017).

The rate of 1.50 per cent COLA effective January 1, 2019, is calculated as follows:

$$\frac{\text{Total ACPI (November 2017 to October 2018)}}{\text{Total ACPI (November 2016 to October 2017)}} - 1 \times 60\% = \text{COLA}$$

$$[(1,682.4 / 1,640.9)^* - 1] \times 60\% = 1.50\% \text{ January 1, 2019}$$

* 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 2016 through October 2018.

<i>ACPI</i> Values Nov 2016 to Oct 2018	2016/2017 <i>ACPI</i>	2017/2018 <i>ACPI</i>	60% of Monthly Year-Over-Year Change*
November	135.0	138.4	1.51%
December	134.9	137.6	1.20%
January	137.0	138.9	0.83%
February	136.7	139.7	1.32%
March	136.8	139.9	1.36%
April	137.4	140.6	1.40%
May	137.2	140.7	1.53%
June	136.9	140.7	1.67%
July	137.0	141.8	2.10%
August	137.4	141.6	1.83%
September	137.9	141.1	1.80%
October	137.6	141.4	1.66%
Total	1640.9	1682.4	

Appendix II

Appendix II displays the changes in the *ACPI* over a two-year period from November 2016 through October 2018.

2019 Indexing Calculation

Total <i>ACPI</i> (Nov. 2016 to Oct. 2017)	1640.9
Total <i>ACPI</i> (Nov. 2017 to Oct. 2018)	1682.4

