



Coastal Council to BC Ferries

British Columbia Ferry Corporation
1112 Fort Street
Victoria BC
V8V 4V2

August 17, 2000

By Fax: 1-250-381-7238

Attention: Mr. Bob Lingwood - President and CEO

Revised Tariff Recommendations of the Coastal Council to BC Ferries.

The Coastal Council has debated the problem faced by the Corporation in attempting to develop a tariff model that would provide an “equitable” tariff throughout the fleet. Given that no method has been applied to create the existing tariff structure it has been extremely difficult to develop a concept which would create “tariff equity”. In fact, the Coastal Council recognizes that “equity”, as viewed by each community served by B.C.F.C., would likely equate to the historical tariff. As a result of this recognition, the Council considers the following recommendations as steps towards tariff rationalization rather than equity.

Although the Council views any adjustment to tariff within the existing financial framework difficult for local communities and economies, it does realize the future advantages created by determining a formula based tariff and the advantage of rationalizing the existing discount tariff structure.

These recommendations are the result of cooperative efforts of B.C.F.C. staff, the Finance Working Group and the members of the Coastal Council and are based upon financial and traffic data provided by the Corporation.

Recommended Tariff Model

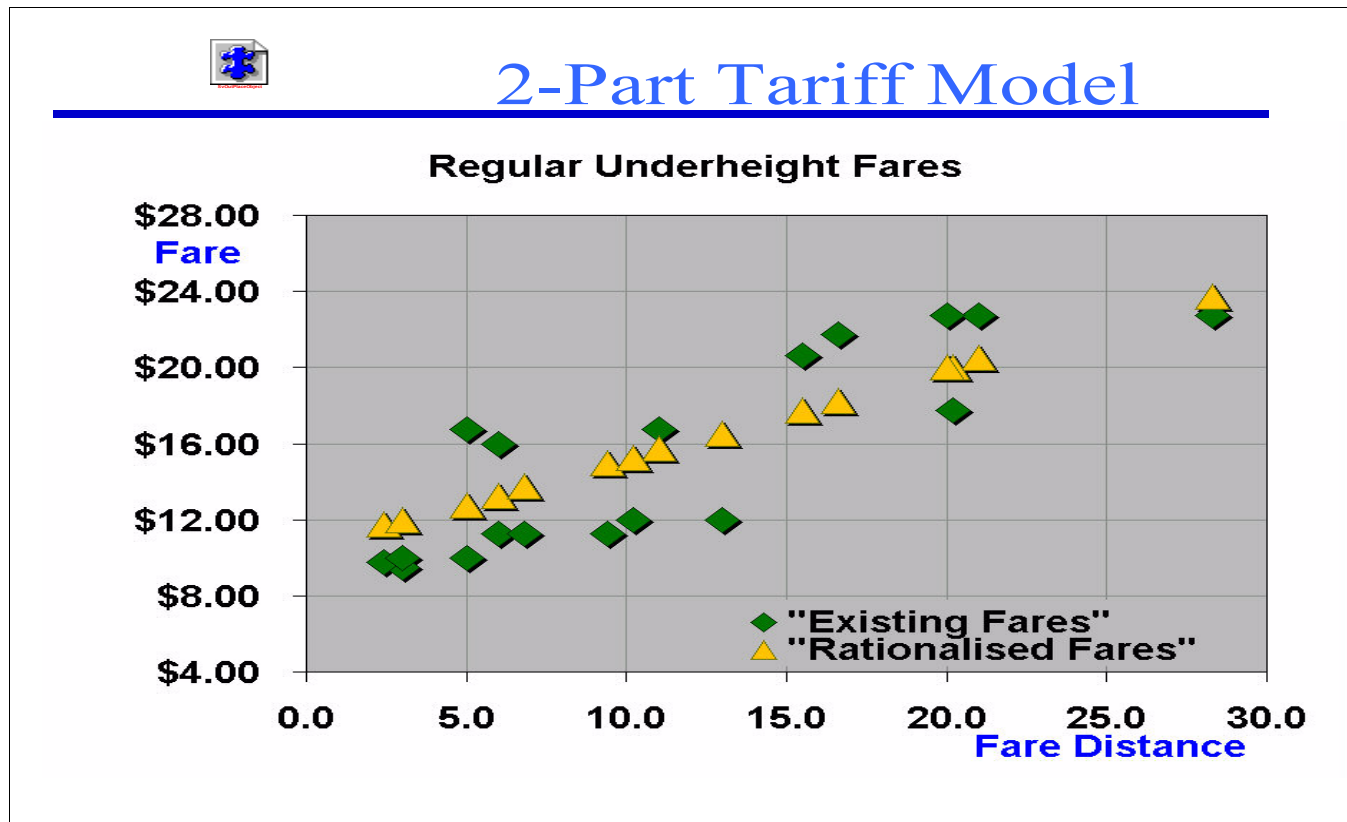
The Council, with the technical assistance of B.C.F.C. staff, examined various metrics and how they related to the existing tariff. Through this research it was determined that the existing tariff is somewhat correlated with the distance metric. The results of the stakeholder survey also indicated that distance was the most widely accepted metric for tariff. A model was developed to examine the application of this metric to tariff, based on certain assumptions:

- revenue neutrality
- minimizing rate shock's
- weighted average distances for multiport routes and for routes 1,2 and 30
- the use of the same per mile and lift off charges system wide
- that traffic patterns would follow current trends.

The pure “distance” based model did not approximate current tariffs well and further metrics were considered. In the model recommended by the Council the rationalized tariff is comprised of two components; one representing distance traveled, and one representing a lift off charge (the “taxi” model). The proposed model does not attempt to define “equity” amongst various routes but rather, attempts to standardize tariffs through its application. We recommend, based on data provided by B.C.F.C. staff, that the lift off charge be \$4.00 and the per mile charge be \$.14 (rounded) for Passengers and the lift of charge be \$10.50 and the per mile charge be \$.47

(rounded) for underheight passenger vehicles.

An example of how the model would modify tariff is attached. It is to be noted that the proposed model is designed to be revenue neutral with regards to the Corporations overall tariff revenues (\$298m).



Implementation of rationalized tariff

As the proposed tariff model is designed to “rationalize tariffs” and as the existing tariff structure does not reflect any form of a linear relationship the application now of a linear model will result in numerous tariff adjustments.

As the Council is extremely cognizant of the negative impacts of rate shocks on the economies of coastal communities we recommend that compliance with the model for existing routes would initially be achieved when any particular tariff fell within +/- 10% of the tariff predicted by the model.

We also recommend that no route tariff should be adjusted by any amount larger than +/- 10% in any given year (with allowance for minor variations due to rounding fares to the nearest \$.25) regardless of whether tariff adjustments are implemented annually i.e. adjustments are not cumulative if not adjusted on an annual basis.

Once a tariff falls within the +/-10% band the remaining adjustments towards the predicted tariff would be accomplished through the specific application or non-application of CPI increases year by year and by the application of rounding fares to the nearest \$.25. (see “General Recommendations” below).

The modeling which B.C.F.C. staff has assisted us with indicates that all of the route tariffs would be moved to within +/- 10% of the predicted tariff by the third year. The Corporation should apply the model uniformly to all Routes operated.

Council recommends these measures be applied over time and specifically recommends that no time period be set. The tariff model, as proposed, will constantly move actual tariffs to their predicted values through the application or non-application of CPI increases and rounding.

The Council feels very strongly that this method of implementation should be adopted and recommends that the Corporation not attempt to shorten the time line by altering the size of the “band” or by other methods that would increase impact.

In effect we are recommending the adoption of a tariff model which has no basis in cost of operation, vessel utilization or equity amongst routes but have attempted to iterate towards a tariff formula which “best fits” the current tariff. The recommended model would provide a common basis for tariff across all routes based upon the metric of distance and a liftoff charge.

(see Appendix 1)

Discounts (prepaid tariffs)

The Council agrees that the current form (prepaid books of tickets) of commuter/frequent user/bulk purchase discounts should continue to apply to those routes where such a program currently exists. The Council view these discounts as addressing a metric representative of the isolation of many communities from basic essential services e.g. schools, hospitals, banks, government services, etc. The stakeholder survey indicated that isolation was the second most widely accepted metric for tariff. The Council also sees value in moving the discount rate to a common rate(s) for all similar routes within a route group where such discounts may apply.

With consideration for the relative isolation of communities served by various routes, and due to the variance amongst Routes with regards to the historical application of various discount programs initiated by the Corporation; the Council recommends that groupings of routes be established and that each group be viewed as a separate entity with regards as to the rate of discount which may apply. This approach is, as for tariff, a rationalization. The Council recommends four groups be established. Within each group a weighted average discount rate for passengers and vehicles was determined through modeling by B.C.F.C. staff, based on similar premises to the modeling for tariff discussed above. Passenger discounts were given preference for a higher rate of discount to encourage more efficient use of service. An example of how the discount tariffs would look after rationalization is attached. Based on this analysis the council recommends that discount rates for groups be rationalized to approximately the following figures:

1. Routes 1,2,30	No Discount
2. Northern and Mid Coast Routes 10,10A,11,40 and Route 13	Discount to be implemented as part of BCFC and government addressing the specific needs of these routes.
3. Routes 3,7 and 17	Passenger discount 25% Vehicle discount 15%
4. All remaining Routes 4,5,6,8,9,12,18,19,20,21,22,23,24,25,26	Passenger discount 46% Vehicle discount 41%

Implementation of rationalized discount

The implementation of any adjustment to existing discount programs should be handled in the same manner as the implementation of the tariff rationalization, but taking the discount fare in this case. No route should experience a change to the discount fare paid of greater than 10% in

any given year and a similar “band” approach (+/-10% from the predicted discounted fare) should be applied. As the frequent user ticket is purchased in multiples of five tickets it will not be necessary to round these fares to the nearest \$.25. The implication of this approach will be that any future adjustment to tariff will have a corresponding impact on frequent user fares. This is a significant change from the status quo where each form of tariff has been treated in isolation.

Through the implementation process it may be practical to adjust the spread between passenger and vehicle discounts to a common percentage among route groups or it may be possible to arrive at a single, blended rate for each route grouping e.g. a single discount rate for both passengers and vehicles. The Council has not modeled the implementation of such a proposal and the existing variation between types of traffic may be preferred in order to encourage passenger travel over vehicle travel

B.C.F.C. staff has also produced an implementation model that varies the discount rate annually to ensure revenue neutrality. Given that no increase/decrease exceeded +/- 10% the Council would support this implementation method.

(see Appendix 2)

Special circumstances

It has become evident that although there are distinct advantages to the development of a single “tariff model” for application to all routes, the historical differences which have created the existing tariffs and tariff discounts cannot all be rationalized through the application of a single model without creating significant rate shocks to some coastal communities. B.C.F.C. must take these impacts into consideration when developing an implementation strategy such that individual economies, which may already be suffering, are not further impacted by large tariff changes.

Multiple port routes have been dealt with in a special manner as noted above due to the particular nature of travel on these routes.

We recommend that Route 13 tariff be adjusted so that the lift off component only be charged at one half the rate indicated by the model due to the fact that the tariff is collected for travel in each direction rather than for a return trip and the extreme shortness of the route introduces an anomaly in relation to the Route 3 tariff. (The tariff proposed in the enclosed appendices may not reflect this recommendation).

Council recommends that B.C.F.C. and the Provincial government urgently examine the situation of the northern and mid coast routes, with particular attention to level of service, seasonal pricing, and discount programs for frequent users. Our mandate in looking at tariff was to make recommendations that would be revenue neutral, and these routes require attention that is outside this mandate. Council feels that the issues facing these routes need to be addressed with the local stakeholders. We believe that creative solutions can be found for these routes. We understand that some additional service may be required, and draw attention to our previous recommendations on highway equivalency that related level of government support to total route mileage served.

Further tariff issues

B.C.F.C. staff have indicated that Council will be involved in discussions and will be asked to make recommendations on any further adjustments to individual tariffs to account for spatial relationships, seasonal adjustments, demand management objectives, student and senior travel

discounts etc.

General Recommendations

Council recommends that the Corporation continue its recent efforts to assist local communities, where welcomed, to develop local economies and create new revenues through co-operative initiatives.

Council recommends that CPI increases only be applied if required by B.C.F.C. budget and that if CPI is low, rational adjustments can be made perhaps every three years.

Council recommends that the effects of any “tariff model” be reviewed annually to determine the true impacts on the Corporations revenues relative to the projected impacts.

As the Corporation must ensure revenue neutrality but currently does not allow for any form of contingency the Council recommends that the Corporation be permitted to work within a +/- range during implementation of the tariff model. The projections of the proposed model appear to meet the revenue neutral test within - .5 % however, staff have raised a concern that a model which is not entirely revenue neutral may not be approved. As we find that a projection of five years into the future is already problematic we recommend that the Corporation be allowed to operate within a +/- range from revenue neutrality as these rate changes are implemented. To assist the Corporation balance its requirements for income while these changes are implemented we also recommend that rounding of fares to the nearest \$.25 be used to accelerate the movement of tariffs, including those which fall within the +/- 10% band, towards the projected tariff i.e. if a tariff is within the band but below the projected tariff and a CPI increase of <\$.25 is indicated that the tariff be increased by the full \$.25 and conversely for tariffs above the projected tariff but still within the +/- 10% band. We also recommend that B.C.F.C. be permitted to utilize a cumulative CPI adjustment initially.

(see Appendix 3)

Council operates from a consensus model and is prepared to accept and support the tariff adjustments resulting from the implementation of these recommendations. It should be noted however that this support is based on the Corporation accepting the recommendations in their entirety and not treating them separately.

We urge the Corporation to consider these recommendations and are willing to work cooperatively with you in resolving this difficult and important issue. Our understanding is that we will continue to work jointly with your staff over the coming weeks to finalize this issue.

Variations of Proposed Model Reviewed

Subsequent to our initial presentation of these recommendations we have met with B.C.F.C. staff to review six variations of the proposed model. One of these narrowed the band to +/- 5% however this model did not prove to be revenue neutral and in fact, resulted in significant shortfalls in the Corporations revenues over the short term. We also reviewed a model which averaged the rate adjustment over a five year period however we do not support this proposal as it does not appear to provide any significant advantage to the Corporation and may in fact, hinder any future adjustment to the model that may be required. As noted above, the elegance of the model, as proposed, is that it continually directs tariffs to their projected values.

We also reviewed the models using newly proposed lift off charges. The rationale given for looking at these new charges was presented as offering a somewhat more rational ratio between vehicle and passenger tariffs however, again, we could see no significant advantage to the

Corporation and believe that the rates proposed actually model the historical proportion of tariff more closely. We therefore have agreed to remain with our original proposal which appears to present the “best fit” to existing tariffs

Next Steps

It is the Council’s understanding that B.C.F.C. staff will inform the Council regarding the Corporations intended presentation to the Board in August and will comment on the Council’s recommendations as submitted herein. Following the Board meeting, B.C.F.C. staff will advise the Chair of the Council of the outcome of the Corporations presentation. If required, B.C.F.C. staff would again meet with the Council’s Executive Committee and the Financial Direction Working Group prior to the September Board meeting.

We wish to be very clear that the Coastal Communities served by the Corporation have agreed, in principal, to these recommendations and that any arbitrary adjustments by the Board or by Cabinet may have a negative impact on the acceptance of any such tariff adjustments by the Coastal Communities and their representatives on the Coastal Council.

We wish to take this opportunity to thank Geoff Dickson, Peter Hildebrand and Tony Roberts for their valuable assistance.

Respectfully submitted on behalf of
The Coastal Council to B.C. Ferries

Roxanna Mandryk
Chair-Coastal Council

Steve Wohlleben
Co-Chair, Financial Direction Committee

Ian Ralston
Co-Chair, Financial Direction Committee

Cc. Mr. Michael Francis – Chairman of the Board



Coastal Council to BC Ferries

Route	Service	Existing Fares		Base Target		Req'd %Change		Yr1 Fares cpi		Fare Change \$		Fare Change %		Resid
		PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS
1	TSAWWASSEN - SWARTZ BAY	\$7.50	\$22.75	\$8.00	\$24.00	8%	7%	\$7.50	\$22.75	\$0.00	\$0.00	0%	0%	8%
2	HORSESHOE BAY - NANAIMO	\$7.50	\$22.75	\$8.00	\$24.00	8%	7%	\$7.50	\$22.75	\$0.00	\$0.00	0%	0%	8%
30	TSAWWASSEN - NANAIMO	\$7.50	\$22.75	\$8.00	\$24.00	8%	7%	\$7.50	\$22.75	\$0.00	\$0.00	0%	0%	8%
3	HORSESHOE BAY - LANGDALE (Return)	\$7.75	\$22.75	\$6.75	\$20.00	(12%)	(11%)	\$7.50	\$22.50	(\$0.25)	(\$0.25)	(3%)	(1%)	(9%)
4	SWARTZ BAY - FULFORD HARBOUR (Return)	\$5.75	\$16.75	\$5.00	\$14.25	(12%)	(14%)	\$5.75	\$16.00	\$0.00	(\$0.75)	0%	(4%)	(12%)
5	SWARTZ BAY - GULF ISLANDS (Return)	\$5.75	\$17.75	\$6.75	\$20.00	19%	14%	\$6.25	\$18.50	\$0.50	\$0.75	9%	4%	10%
6	CROFTON - VESUVIUS BAY (Return)	\$5.75	\$16.75	\$5.00	\$14.25	(12%)	(14%)	\$5.75	\$16.00	\$0.00	(\$0.75)	0%	(4%)	(12%)
7	EARL'S COVE - SALTERTY BAY (Return)	\$7.75	\$22.75	\$6.75	\$20.00	(12%)	(11%)	\$7.50	\$22.50	(\$0.25)	(\$0.25)	(3%)	(1%)	(9%)
8	HORSESHOE BAY - SNUG COVE (Return)	\$5.50	\$16.00	\$4.75	\$13.25	(13%)	(16%)	\$5.25	\$15.00	(\$0.25)	(\$1.00)	(5%)	(6%)	(8%)
9	GULF ISLANDS - TSAWWASSEN	\$6.75	\$20.63	\$6.25	\$17.75	(6%)	(13%)	\$6.75	\$20.00	\$0.00	(\$0.63)	0%	(3%)	(6%)
12	MILL BAY - BRENTWOOD BAY	\$4.00	\$9.50	\$4.50	\$12.00	14%	28%	\$4.25	\$10.50	\$0.25	\$1.00	6%	11%	8%
13	LANGDALE - KEATS ISLAND - GAMBIER ISLAND	\$3.75		\$4.50		22%	0%	\$4.25		\$0.50		13%		8%
17	LITTLE RIVER (COMOX) - POWELL RIVER (WESTVIEW)	\$7.25	\$21.75	\$6.75	\$20.00	(6%)	(7%)	\$7.25	\$21.75	\$0.00	\$0.00	0%	0%	(6%)
18	POWELL RIVER (WESTVIEW) - TEXADA ISLAND (Return)	\$4.75	\$11.25	\$5.25	\$15.00	12%	35%	\$4.75	\$12.50	\$0.00	\$1.25	0%	11%	12%
19	NANAIMO HARBOUR - GABRIOLA ISLAND (Return)	\$4.75	\$11.25	\$4.75	\$13.25	1%	19%	\$4.75	\$12.25	\$0.00	\$1.00	0%	9%	1%
20	CHEMAINUS - THETIS ISLAND - KUPER ISLAND (Return)	\$4.75	\$11.25	\$5.00	\$13.75	7%	24%	\$4.75	\$12.50	\$0.00	\$1.25	0%	11%	7%
21	BUCKLEY BAY - DENMAN ISLAND (Return)	\$4.25	\$9.75	\$4.25	\$11.75	1%	22%	\$4.25	\$10.75	\$0.00	\$1.00	0%	10%	1%
22	DENMAN ISLAND - HORNBY ISLAND (Return)	\$4.25	\$9.75	\$4.25	\$11.75	1%	22%	\$4.25	\$10.75	\$0.00	\$1.00	0%	10%	1%
23	CAMPBELL RIVER - QUADRA ISLAND (Return)	\$4.25	\$10.00	\$4.50	\$12.00	7%	22%	\$4.25	\$11.00	\$0.00	\$1.00	0%	10%	7%
24	QUADRA ISLAND - CORTES ISLAND (Return)	\$5.25	\$12.00	\$5.75	\$16.75	11%	41%	\$5.25	\$13.25	\$0.00	\$1.25	0%	10%	11%
25	PORT McNEILL - ALERT BAY - SOINTULA (Return)	\$5.25	\$12.00	\$5.50	\$15.25	6%	29%	\$5.25	\$13.25	\$0.00	\$1.25	0%	10%	6%
26	SKIDEGATE - ALLIFORD BAY (Return)	\$4.25	\$10.00	\$4.75	\$12.75	13%	29%	\$4.50	\$11.00	\$0.25	\$1.00	6%	10%	7%
10	PORT HARDY - PRINCE RUPERT	\$56.00	\$116.00	\$41.75	\$139.25	(24%)	22%	\$50.50	\$127.50	(\$5.50)	\$11.50	(10%)	10%	(15%)
11	PRINCE RUPERT - SKIDEGATE	\$20.25	\$76.00	\$16.75	\$54.50	(16%)	(27%)	\$19.00	\$68.50	(\$1.25)	(\$7.50)	(6%)	(10%)	(10%)

Appendix 1- Predicted Tariff

Pre-Paid Fares (fares shown are for 10 ticket books.)

Route	Existing PPD Fares		Existing Discount Rates		Year 1 PPD Fares		Year 1 Discount Rates		Change (\$)		Change (%)	
	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH
1												
2												
30												
3	\$5.55	\$18.69	28.4%	17.8%	\$5.34	\$18.67	28.8%	17.0%	(\$0.21)	(\$0.02)	(4%)	(0%)
4	\$3.50	\$10.95	39.1%	34.6%	\$3.03	\$9.28	47.3%	42.0%	(\$0.47)	(\$1.67)	(13%)	(15%)
5	\$3.50	\$11.38	39.1%	35.9%	\$3.42	\$11.22	47.3%	41.7%	(\$0.08)	(\$0.16)	(2%)	(1%)
6	\$3.50	\$10.95	39.1%	34.6%	\$3.03	\$9.28	47.3%	42.0%	(\$0.47)	(\$1.67)	(13%)	(15%)
7	\$5.55	\$18.69	28.4%	17.8%	\$5.34	\$18.67	28.8%	17.0%	(\$0.21)	(\$0.02)	(4%)	(0%)
8	\$2.95	\$9.32	46.4%	41.8%	\$2.77	\$8.69	47.3%	42.1%	(\$0.18)	(\$0.63)	(6%)	(7%)
9												
12	\$2.55	\$6.65	36.3%	30.0%	\$2.37	\$6.30	47.3%	42.7%	(\$0.18)	(\$0.35)	(7%)	(5%)
13	\$2.55		32.0%		\$2.37		47.3%		(\$0.18)		(7%)	
17	\$5.55	\$18.69	23.4%	14.1%	\$5.15	\$18.04	28.9%	17.0%	(\$0.40)	(\$0.65)	(7%)	(3%)
18	\$2.65	\$6.85	44.2%	39.1%	\$2.77	\$7.49	47.3%	42.4%	\$0.12	\$0.64	4%	9%
19	\$2.35	\$6.38	50.5%	43.3%	\$2.63	\$7.35	47.3%	42.4%	\$0.28	\$0.97	12%	15%
20	\$2.35	\$6.38	50.5%	43.3%	\$2.63	\$7.49	47.3%	42.4%	\$0.28	\$1.11	12%	17%
21	\$2.03	\$5.22	52.2%	46.5%	\$2.37	\$6.45	47.3%	42.6%	\$0.34	\$1.23	17%	24%
22	\$2.03	\$5.22	52.2%	46.5%	\$2.37	\$6.45	47.3%	42.6%	\$0.34	\$1.23	17%	24%
23	\$2.03	\$5.55	52.2%	44.5%	\$2.37	\$6.60	47.3%	42.6%	\$0.34	\$1.05	17%	19%
24	\$3.15	\$7.80	40.0%	35.0%	\$3.03	\$7.94	47.3%	42.2%	(\$0.12)	\$0.14	(4%)	2%
25	\$3.15	\$7.80	40.0%	35.0%	\$2.90	\$7.94	47.3%	42.2%	(\$0.25)	\$0.14	(8%)	2%
26	\$2.03	\$5.50	52.2%	45.0%	\$2.50	\$6.60	47.3%	42.6%	\$0.47	\$1.10	23%	20%

Appendix 2 - Predicted Prepaid Tariff

Route	Existing Fares		Target Fares		Year 1 Fares		Change (\$)		Change (%)	
	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH	PASS	PVUH
1	\$7.50	\$22.75	\$8.00	\$24.00	\$8.00	\$23.75	\$0.50	\$1.00	7%	4%
2	\$7.50	\$22.75	\$8.00	\$24.00	\$8.00	\$23.75	\$0.50	\$1.00	7%	4%
30	\$7.50	\$22.75	\$8.00	\$24.00	\$8.00	\$23.75	\$0.50	\$1.00	7%	4%
3	\$7.75	\$22.75	\$6.75	\$20.00	\$7.50	\$22.50	(\$0.25)	(\$0.25)	(3%)	(1%)
4	\$5.75	\$16.75	\$5.00	\$14.25	\$5.75	\$16.00	\$0.00	(\$0.75)	0%	(4%)
5	\$5.75	\$17.75	\$6.75	\$20.00	\$6.50	\$19.25	\$0.75	\$1.50	13%	8%
6	\$5.75	\$16.75	\$5.00	\$14.25	\$5.75	\$16.00	\$0.00	(\$0.75)	0%	(4%)
7	\$7.75	\$22.75	\$6.75	\$20.00	\$7.50	\$22.50	(\$0.25)	(\$0.25)	(3%)	(1%)
8	\$5.50	\$16.00	\$4.75	\$13.25	\$5.25	\$15.00	(\$0.25)	(\$1.00)	(5%)	(6%)
9	\$6.75	\$20.63	\$6.25	\$17.75	\$6.75	\$20.00	\$0.00	(\$0.63)	0%	(3%)
12	\$4.00	\$9.50	\$4.50	\$12.00	\$4.50	\$11.00	\$0.50	\$1.50	13%	16%
13	\$3.75		\$4.50		\$4.50		\$0.75		20%	
17	\$7.25	\$21.75	\$6.75	\$20.00	\$7.25	\$21.75	\$0.00	\$0.00	0%	0%
18	\$4.75	\$11.25	\$5.25	\$15.00	\$5.25	\$13.00	\$0.50	\$1.75	11%	16%
19	\$4.75	\$11.25	\$4.75	\$13.25	\$5.00	\$12.75	\$0.25	\$1.50	5%	13%
20	\$4.75	\$11.25	\$5.00	\$13.75	\$5.00	\$13.00	\$0.25	\$1.75	5%	16%
21	\$4.25	\$9.75	\$4.25	\$11.75	\$4.50	\$11.25	\$0.25	\$1.50	6%	15%
22	\$4.25	\$9.75	\$4.25	\$11.75	\$4.50	\$11.25	\$0.25	\$1.50	6%	15%
23	\$4.25	\$10.00	\$4.50	\$12.00	\$4.50	\$11.50	\$0.25	\$1.50	6%	15%
24	\$5.25	\$12.00	\$5.75	\$16.75	\$5.75	\$13.75	\$0.50	\$1.75	10%	15%
25	\$5.25	\$12.00	\$5.50	\$15.25	\$5.50	\$13.75	\$0.25	\$1.75	5%	15%
26	\$4.25	\$10.00	\$4.75	\$12.75	\$4.75	\$11.50	\$0.50	\$1.50	12%	15%
10	\$56.00	\$116.00	\$41.75	\$139.25	\$50.50	\$132.25	(\$5.50)	\$16.25	(10%)	14%
11	\$20.25	\$76.00	\$16.75	\$54.50	\$19.00	\$68.50	(\$1.25)	(\$7.50)	(6%)	(10%)
40	\$36.00	\$82.00	\$21.00	\$69.00	\$32.50	\$78.00	(\$3.50)	(\$4.00)	(10%)	(5%)

Appendix 3 - Predicted Tariff plus CPI and Rounding