

Cummings Jewish Centre for Seniors

Comments on Draft Revised Excessive Price Guidelines

CPI cap factor:

This was a tricky item and more difficult to comment on. Referring to the two options presented by the working group (pg.7), it was felt that the cap should be calculated by the CPI methodology as was noted on pg. 34, item 2.9 of the Compendium of Policies. The one year price increases should not be greater than 1.5 times the forecast change in the annual CPI. Since the “cap” may be less than or greater than the annual CPI, the cap of 1.5 would take into account the Board’s concern for potential price increases.

Calculating excess revenue:

Again, the working group’s two suggestions were difficult to consider and it might have been helpful to include a bit more of the group’s discussion comments. The first option, that is, excess revenue should be based on the average price across all markets in Canada (NATP)... would be more appropriate. That option better fulfills the Board’s mandate of assuring that prices not be excessive in any market.

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