

November 1, 2022

Undertaking #25

MPI to advise how does the information relating to passenger Vehicle for Hire, set out in RM Appendix 4, related to the balance indicated rate change set out for those same classes in RM Appendix 9, Table 14.

RESPONSE:

Appendix 9, Table 14 - Indicated Rate Calculation presents the indicated rates for all distinct vehicle groups based on their experience adjustment.

Appendix 4 - Transition from Rate Requirement Indicators to Applied for Rate Adjustment shows the steps taken from the experience rate requirement indicators to the applied for rate adjustments. The Balanced Indicated Adjustment shown in RM Appendix 4 = $(1 + \text{Balanced Indicated Change shown in Appendix 9 Table 14}) * (1 + \text{Classification Changes and CLEAR adjustments}) - 1$. For example, for Passenger VFH in territory 1, $10.56\% = (1 + 6.84\%) * (1 + 3.49\%) - 1$.

The Applied for Adjustment (Final Rate Model) is the output from the rate model after all changes are applied including rounding, additional capping and 20% rate increase for Passenger VFH per PUB Order 1/21.