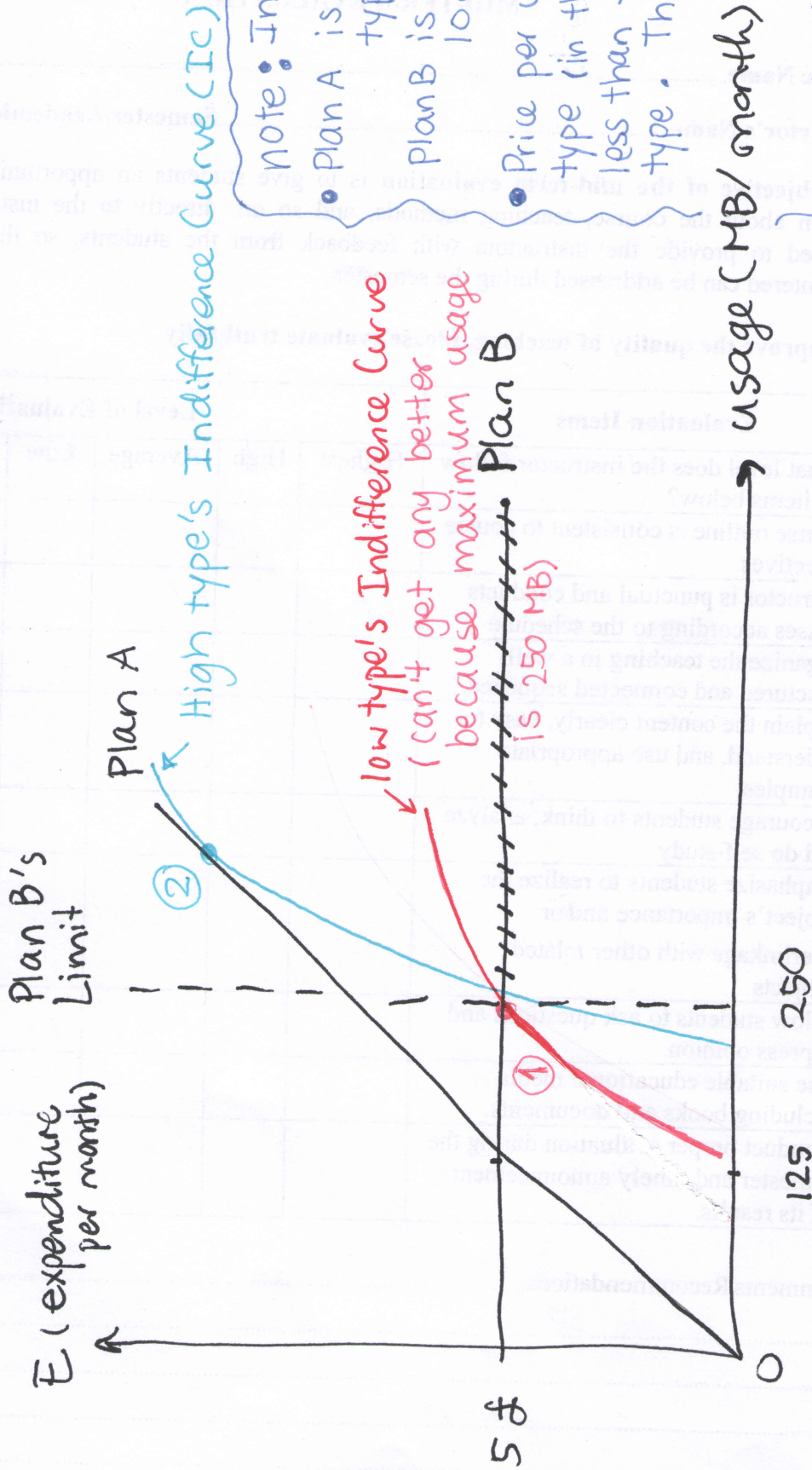


## Smart's Solution



note: In this case,

- Plan A is chosen by the high type.
- Plan B is chosen by the low type.
- Price per unit for the high type (in this case) is not less than that for the low type. This is because

This two-part tariff is not optimal like the one in the textbook. But it can help increase  $\Pi$  anyway.