

GAZIFÈRE INC.
DESCRIPTION OF THE RIDER FOR OCTOBER 1, 2004 TO JUNE 30, 2005 PERIOD
2005 RATE CASE

The Company has designed rates to reflect the Régie's decision D-2005-58 which results in a revenue deficiency of \$327,000 for Fiscal 2005. Exhibit GI-25, document 11 shows the final rates reflecting the recovery of this deficiency. The Régie's decision is effective on October 1, 2004 and subsequent final gas cost pass-on(s) effective on January 1, 2005 and April 1, 2005 are based on the D-2005-58 decision. These pass-on rates are shown on exhibit GI-26, document 4 and GI-27, document 4. The Company proposes to implement the Régie's approved final rates in its July billing cycle. For the period October 1, 2004 to June 30, 2005, the Company proposes to bill customers a prorated share of the overall deficiency through a rate rider that will be applied to the actual volumes consumed during this period. The calculation of the rider is described below.

As shown on Exhibit GI-28, document 2, budgeted volumes from October to December 2004 are multiplied by the unit rate change between the interim pass-on rate that was effective October 1, 2004 and the final October 1, 2004 rate (D-2005-58). Budgeted volumes from January to March 2005 are multiplied by the unit rate change between the interim pass-on rate that was effective January 1, 2005 and the final pass-on rate for January 1, 2005. Budgeted volumes from April to June 2005 are multiplied by the unit rate change between the interim pass-on rate that was effective April 1, 2005 and the final pass-on rate for April 1, 2005. The deficiency accumulated over this nine month period is then divided by budgeted volumes to yield the unit rate rider. This process is done for each rate class and type of service (sales and T- service) in order to ensure that the derivation of the rider adheres to the rate setting process.

Calculation of Rider to Implement for October 2004- June 2005

TARIF 1	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	2,052,606	3,722,718	5,769,340	8,296,463	7,991,877	6,884,730	4,856,021	2,818,968	1,679,593	44,072,317
Budgeted T- Service Volume (m ³)	255,646	401,550	502,200	734,146	704,514	591,023	419,126	275,388	210,894	4,094,487
Adjustment- Delivery Charge (cents) *	0.16	0.16	0.16	0.16	0.16	0.16	0.17	0.17	0.17	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ 3,489	\$ 6,329	\$ 9,808	\$ 13,274	\$ 12,787	\$ 11,016	\$ 8,255	\$ 4,792	\$ 2,855	\$ 72,606
T-Service Deficiency for Oct. 04-Jun. 05	\$ 409	\$ 642	\$ 804	\$ 1,175	\$ 1,127	\$ 946	\$ 713	\$ 468	\$ 359	\$ 6,642
Cumulative Impact- Sales	\$ 3,489	9,818	19,626	32,900	45,687	56,703	64,958	69,750	72,606	
Cumulative Impact- T-Service	\$ 409	1,052	1,855	3,030	4,157	5,103	5,815	6,283	6,642	
Tarif 1 Rider-										
Sales	0.16									
T-Service	0.16									
TARIF 2	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	2,668,917	4,797,941	8,070,698	11,151,361	10,743,687	8,855,668	6,598,513	3,549,500	1,965,702	58,401,989
Budgeted T- Service Volume (m ³)	10,234	19,253	33,548	44,937	42,448	32,863	25,199	12,037	5,045	225,564
Adjustment- Delivery Charge (cents) *	0.31	0.31	0.31	0.31	0.31	0.31	0.34	0.34	0.34	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ 8,541	\$ 15,353	\$ 25,826	\$ 34,569	\$ 33,305	\$ 27,453	\$ 22,435	\$ 12,068	\$ 6,683	\$ 186,234
T-Service Deficiency for Oct. 04-Jun. 05	\$ 32	\$ 60	\$ 104	\$ 139	\$ 132	\$ 102	\$ 86	\$ 41	\$ 17	\$ 712
Cumulative Impact- Sales	\$ 8,541	23,894	49,720	84,289	117,595	145,047	167,482	179,551	186,234	
Cumulative Impact- T-Service	\$ 32	91	195	335	466	568	654	695	712	
Tarif 2 Rider-										
Sales	0.32									
T-Service	0.32									
TARIF 3	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	29,227	40,012	46,405	46,860	57,532	51,739	42,196	38,718	30,830	383,519
Budgeted T- Service Volume (m ³)	0	0	0	0	0	0	0	0	0	0
Adjustment- Delivery Charge (cents) *	0.18	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ 56	\$ 76	\$ 88	\$ 80	\$ 98	\$ 88	\$ 72	\$ 66	\$ 52	\$ 675
T-Service Deficiency for Oct. 04-Jun. 05	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Cumulative Impact- Sales	\$ 56	132	220	299	397	485	557	623	675	
Cumulative Impact- T-Service	\$-	-	-	-	-	-	-	-	-	
Tarif 3 Rider-										
Sales	0.18									
T-Service	-									

Note:

* Delivery Charge Adjustment is calculated by taking the difference between the final passon and Interim Passon for the respective quarters

** Gas Supply Charge Adjustment is calculated by taking the difference between the final passon and Interim Passon for the respective quarters

Calculation of Rider to Implement for October 2004- June 2005

TARIF 4	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	256,086	200,934	271,409	315,485	260,868	311,400	266,846	280,417	240,383	2,403,828
Budgeted T- Service Volume (m ³)	225,696	287,069	298,070	356,880	314,243	318,614	255,406	250,734	222,798	2,529,510
Adjustment- Delivery Charge (cents) *	0.01	0.01	0.01	0.01	0.01	0.01	0.03	0.03	0.03	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ 51	\$ 40	\$ 54	\$ 32	\$ 26	\$ 31	\$ 80	\$ 84	\$ 72	\$ 471
T-Service Deficiency for Oct. 04-Jun. 05	\$ 23	\$ 29	\$ 30	\$ 36	\$ 31	\$ 32	\$ 77	\$ 75	\$ 67	\$ 399
Cumulative Impact- Sales	\$ 51	91	146	177	203	234	315	399	471	
Cumulative Impact- T-Service	\$ 23	51	81	117	148	180	257	332	399	

Tarif 4 Rider-	
Sales	0.02
T-Service	0.02

TARIF 5	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	0	0	0	0	0	0	0	0	0	0
Budgeted T- Service Volume (m ³)	827,790	909,004	935,483	1,113,183	841,369	780,898	933,788	883,620	854,575	8,079,710
Adjustment- Delivery Charge (cents) *	0.12	0.12	0.12	0.12	0.12	0.12	0.13	0.13	0.13	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T-Service Deficiency for Oct. 04-Jun. 05	\$ 993	\$ 1,091	\$ 1,123	\$ 1,336	\$ 1,010	\$ 937	\$ 1,214	\$ 1,149	\$ 1,111	\$ 9,963
Cumulative Impact- Sales	\$ -	-	-	-	-	-	-	-	-	
Cumulative Impact- T-Service	\$ 993	2,084	3,207	4,543	5,552	6,489	7,703	8,852	9,963	

Tarif 5 Rider-	
Sales	-
T-Service	0.12

TARIF 9	October	November	December	January	February	March	April	May	June	Total
Budgeted Sales Volume (m ³)	0	0	0	0	0	0	0	0	0	0
Budgeted T- Service Volume (m ³)	5,149,479	2,779,620	1,514,740	1,656,197	1,000,000	1,292,363	1,160,618	2,594,924	605,636	17,753,577
Adjustment- Delivery Charge (cents) *	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	
Adjustment- Gas Supply Charge (cents) **	0.01	0.01	0.01	-	-	-	-	-	-	
Sales Deficiency for Oct. 04-Jun. 05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T-Service Deficiency for Oct. 04-Jun. 05	\$ 4,635	\$ 2,502	\$ 1,363	\$ 1,491	\$ 900	\$ 1,163	\$ 1,161	\$ 2,595	\$ 606	\$ 16,414
Cumulative Impact- Sales	\$ -	-	-	-	-	-	-	-	-	
Cumulative Impact- T-Service	\$ 4,635	7,136	8,499	9,990	10,890	12,053	13,214	15,809	16,414	

Tarif 9 Rider-	
Sales	-
T-Service	0.09

Note:

* Delivery Charge Adjustment is calculated by taking the difference between the final passon and Interim Passon for the respective quarters

** Gas Supply Charge Adjustment is calculated by taking the difference between the final passon and Interim Passon for the respective quarters