

**Gazifère Inc.**  
**Unaccounted-for gas analysis**  
**Cause tarifaire 2009**

As of the upcoming closing of the books, the Régie has requested Gazifère to make changes to the manner in which the unbilled and unaccounted-for volumes (UUF) series is reported. Those two changes are:

- The removal of the unbilled portion of UUF, leaving only “unaccounted-for” (UAF) gas in the series, and
- The reporting of UAF as a percentage of gas *purchased* rather than as a percentage of gas *sold*.

Table 1<sup>1</sup>

	2003	2004	2005	2006	2007
Sales (000 m <sup>3</sup> )	163,160.8	152,651.6	150,017.5	160,780.0	167,682.6
Minus: unbilled at the beginning of period	-9,694.0	-9,046.0	-11,818.0	-5,759.2	-7,559.5
Plus: unbilled at the end of the period	<u>9,046.0</u>	<u>11,818.0</u>	<u>5,759.2</u>	<u>7,559.5</u>	<u>8,317.9</u>
Adjusted sales (000 m <sup>3</sup> )	162,512.8	155,423.6	143,958.7	162,580.3	168,441.0
Purchases (000 m <sup>3</sup> )	162,653.1	159,201.2	150,310.6	162,420.7	168,880.0
Lost Gas (m <sup>3</sup> )	140.3	3,777.6	6,351.9	-159.6	439.0
Lost Gas (% of Purchases)	0.09%	2.37%	4.23%	-0.10%	0.26%

Table 1 shows Gazifère’s lost gas on an annual basis over the past five years, as a percentage of total purchases. The five-year average of this series is 1.37%, but it is our opinion that this percentage is overstated due to the outlier in 2005, which is significantly higher than in any other year. To further establish this fact, Table 2 displays the previous five years of lost gas as a percentage of purchases.

Table 2<sup>1</sup>

	1998	1999	2000	2001	2002
Sales (000 m <sup>3</sup> )	203,018.3	199,743.5	223,179.8	151,671.3	173,076.5
Minus: unbilled at the beginning of period	-13,543.3	-14,493.8	-15,083.5	-14,768.7	-11,808.0
Plus: unbilled at the end of the period	<u>14,493.8</u>	<u>15,083.6</u>	<u>14,768.7</u>	<u>11,808.0</u>	<u>9,694.0</u>
Adjusted sales (000 m <sup>3</sup> )	203,968.8	200,333.3	222,865.0	148,710.6	170,962.5
Purchases (000 m <sup>3</sup> )	202,272.9	200,466.9	224,665.7	147,267.9	171,616.2
Lost Gas (m <sup>3</sup> )	-1,695.9	133.6	1,800.7	-1,442.7	653.7
Lost Gas (% of Purchases)	-0.83%	0.07%	0.80%	-0.98%	0.38%

The five year average between 1998 and 2002 is -0.11%, and no year amounts to more than 1% of total purchases. This verifies 2005’s lost gas as a percentage of purchases as an outlier, and we feel the best course of action is to remove the year from the

<sup>1</sup> For the years 1998 – 2005, unbilled volumes are estimated based on meter reading schedules and historical trends opposed to actual data. This may cause some error in adjusted sales and contribute to variations in lost gas figures (including the negative lost gas cases).

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analysis and instead use the five-year average of 2002-2004, 2006-2007. Using this alternative five-year approach results in a five-year average equal to **0.60%**, as displayed in Table 3.

Table 3

Year	UAF (as % of purchases)
2002	0.38
2003	0.09
2004	2.37
2006	-0.10
2007	0.26
<b>5 year average</b>	<b>0.60</b>