



PETROLEUM ACCOUNTANTS SOCIETY OF CANADA  
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DATE: May 6, 2004  
TO: ALL MEMBERS  
Re: PASC Accounting Procedures (1969, 1988 and 1996)  
Wage Index Adjustment

In accordance with the terms of the referenced Accounting Procedures, the overhead rates chargeable under the following subclauses shall be adjusted as of the first day of July each year. (Please note that in the 1988 and 1996 Accounting Procedures this provision is an election. Therefore, in order for overhead rates to be automatically adjusted by the wage index factor, the parties need to have made an affirmative election with regard to this provision.)

1969 Accounting Procedure: Subclause 314(b)(1)  
1988 Accounting Procedure: Subclauses 302(d)(2) and 302(d)(3)  
1996 Accounting Procedure: Subclauses 302(e)(2) and 302(e)(3)

The adjustment shall be computed by multiplying the rate in use by the percentage increase or decrease in the average weekly wage and salary of the Canadian Petroleum and Natural Gas Industry for the last calendar year next preceding such last calendar year as reported by Statistics Canada.

The computation of the 2003 adjustment has been determined as follows:

2003 Monthly Average	\$1,251.28
2002 Monthly Average	<u>\$1,254.49</u>
Decrease:	<u>(\$3.21)</u>
Percentage <u>Decrease</u> :	(0.26%)

Effective 2004-07-01, overhead rates may be decreased by 0.26%, subject to the elections described above.

Yours truly,

Gail Quartly  
President

PETROLEUM ACCOUNTANTS SOCIETY OF CANADA

JULY 1, 2004 WAGE INDEX DETERMINATION

\* Data from Statistics Canada:

Survey 2612, Table 281-0026; Average Weekly Earnings, All Employees, Excluding Overtime, unadjusted for seasonal variation for the Canada, Oil and Gas Extraction Industry, classified using the North American Industry Classification System (NAICS).

<u>MONTH</u>	<u>WEEKLY EARNINGS*</u> Canadian Dollars
Jan 2003	1265.51
Feb 2003	1257.05
Mar 2003	1215.44
Apr 2003	1188.89
May 2003	1246.36
Jun 2003	1240.67
Jul 2003	1317.14
Aug 2003	1242.97
Sep 2003	1266.09
Oct 2003	1260.90
Nov 2003	1212.43
Dec 2003	1301.89
<b>TOTAL</b>	<b>\$15,015.34</b>
2003 Monthly Average	\$1,251.28
2002 Monthly Average	<u>\$1,254.49</u>
VARIANCE (Increase/(Decrease))	<u>(\$3.21)</u>
% Decrease from 2002	(0.26%)

PETROLEUM ACCOUNTANTS SOCIETY OF CANADA  
OVERHEAD RATE ADJUSTMENTS AS PER  
1969 PASC ACCOUNTING PROCEDURE  
SUBCLAUSE 314(b)(1),  
1988 PASC ACCOUNTING PROCEDURE SUBCLAUSE 302(d)  
1996 PASC ACCOUNTING PROCEDURE SUBCLAUSE 302(e)

Percentage Increase  
Utilizing Average Wage and Salary  
Increases (or Decreases) for the Calendar Year Beginning

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July 01, 1970	6.45
July 01, 1971	6.65
July 01, 1972	7.63
July 01, 1973	7.43
July 01, 1974	6.65
July 01, 1975	13.59
July 01, 1976	16.72
July 01, 1977	11.00
July 01, 1978	9.37
July 01, 1979	9.20
July 01, 1980	10.58
July 01, 1981	13.52
July 01, 1982	16.44
July 01, 1983	16.17
July 01, 1984	5.60
July 01, 1985	4.50
July 01, 1986	5.90
July 01, 1987	0.77
July 01, 1988	3.22
July 01, 1989	(0.26)
July 01, 1990	6.61
July 01, 1991	5.99
July 01, 1992	6.85
July 01, 1993	(1.54)
July 01, 1994	4.78
July 01, 1995	1.38
July 01, 1996	3.87
July 01, 1997	1.73
July 01, 1998	(2.74)
July 01, 1999	4.09
July 01, 2000	(0.51)
July 01, 2001	5.36
July 01, 2002	1.21
July 01, 2003	.49
July 01, 2004	(0.26)