



DATE: June 10, 2005
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 2004 adjustment has been determined as follows:

2004 Monthly Average	\$1,328.82
2003 Monthly Average	<u>\$1,251.28</u>
Increase:	<u>\$77.54</u>
Percentage <u>Increase</u> :	6.20%

Effective July 1, 2005, overhead rates may be increased by 6.20%, subject to the elections described above.

Yours truly,

Gail Quartly
President

PETROLEUM ACCOUNTANTS SOCIETY OF CANADA

JULY 1, 2005 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).

MONTH	WEEKLY EARNINGS* Canadian Dollars
Jan 2004	1275.85
Feb 2004	1310.80
Mar 2004	1360.01
Apr 2004	1354.89
May 2004	1360.06
Jun 2004	1325.24
Jul 2004	1313.96
Aug 2004	1331.97
Sep 2004	1340.92
Oct 2004	1333.15
Nov 2004	1329.36
Dec 2004	1309.58
TOTAL	\$15,945.79
2004 Monthly Average	\$1,328.82
2003 Monthly Average	<u>\$1,251.28</u>
VARIANCE (Increase/(Decrease))	<u>\$77.54</u>
% Increase from 2003	6.20%

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

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)
July 01, 2005	6.20