# Imputing Daily Gas Prices

October 6, 2024

#### 0.1 SETUP

I'll start by importing the libraries I need. Then importing and storing it in a pandas DataFrame called df.

```
[1]: # Importing required libraries
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
from statistics import variance as var # Used for calculating variance
from sklearn.linear_model import LinearRegression # Used for linear regression
```

```
[2]: # Loading the data into a pandas dataframe

df = pd.read_csv('gas_price_data.txt', delimiter='\t', header = 2) # Skipping

→ the first two rows which are just text
```

Before I begin any approximation, I'll make sure my data is tidy. To format the dates correctly, I'll use the pd.to\_datetime function.

My goal here is to make the dataframe structure that I expect as my output, to then only replace the missing values with estimates, and not worry about anything else. So I'll have the dataframe add in daily values using the **resample** function, of course they will have NaN values, which is actually ideal for my purposes.

Then, I'll add the extra week to the dataset, by first defining its range with pd.date\_range, making it into a DataFrame, and then appending it to the original DataFrame with pd.concat.

```
# Concatenating the original DataFrame with the extra week of dates
df = pd.concat([df, extra_week_data], ignore_index = True)
```

```
[4]: # Saving the DataFrame to csv to view the data df.to_csv('df.csv')
```

#### 0.2 LINEAR APPROXIMATION

My approach for linear approximation is to first make a copy of the original DataFrame, to make sure I'm estimating points using original data, and not other estimates. My main methodology is iterating through the column the function estimates, until I reach a NaN value, at which point the function will mark the point before it (which is logically never NaN as our dataset starts with a non-NaN value) and the point after it, which is found using further iteration. For the extra week into future however, we don't have a next point, so I'll use the two previous points to estimate the values instead.

From here on, I write conditions to differentiate between the last week's approach and the rest of the dataset, and assign my x and y values accordingly. Then I'll calculate the slope and then plugging the values into the equation of a line to get the estimated value. Here, y is the the NaN value, being replaced (estimated).

After the loop is done iterating through the length of the DataFrame, we can be sure, that all NaN values have been replaced with their estimates. So, the function will go on to return the, now complete, column. So the function has to be run once for the Diesel column, and once for the Regular column.

I'll also visualize the data with a scatter plot to see how well the approximation worked using the matplotlib library. Note that the variance is calculated using the variance function from the statistics library.

```
# In the case of the extra week in the future, there is no next_{\sqcup}
→point to use, so we use the last two points
           if nextIndex >= length:
                # Finding the second-to-last valid value
               farPrevIndex = prevIndex - 1
               while pd.isna(weekly_prices[farPrevIndex]):
                    farPrevIndex -= 1
                # We check once again if the farPrevIndex is valid before using \Box
\rightarrow it
                # We also make sure that the previous index is not NaN and
→actually in our data range
               if farPrevIndex >= 0 and not pd.isna(weekly_prices[prevIndex]):
                    # Setting the coordinates of the known original points
                    y1, y2 = weekly_prices[farPrevIndex],__
→weekly_prices[prevIndex]
                    x1, x2 = farPrevIndex, prevIndex
            # In other cases, we use the next point as it is below the length's \Box
\rightarrow index
           elif nextIndex < length:</pre>
                # Setting the coordinates of the known original points
               y1, y2 = weekly_prices[prevIndex], weekly_prices[nextIndex]
               x1, x2 = prevIndex, nextIndex
           else:
                # This will never be reached, but its here for safety
               raise ValueError("Invalid state")
            # Calculating the slope
           slope = (y2 - y1) / (x2 - x1)
           # Filling in the missing values in the week
           for j in range(prevIndex + 1, nextIndex):
                # Using the line equation to estimate the missing value
               column[j] = weekly_prices[prevIndex] + (slope * (j - prevIndex))
                ## print(f"index \{j\} estimated with \{x1\}, \{x2\} and values \{y1\},
\hookrightarrow \{y2\}") # For debugging
   # Returning the updated column
   return column
```

```
[6]: # Making a copy of the original dataframe to avoid modifying it

GasPrices_Linear = df.copy()

# Estimating the missing values in the Regular and Diesel columns one by one

GasPrices_Linear['Regular'] = linearApproximate(GasPrices_Linear['Regular'].

→values)
```

```
GasPrices_Linear['Diesel'] = linearApproximate(GasPrices_Linear['Diesel'].values)
# Saving the updated dataframe to a CSV file
GasPrices_Linear.to_csv("GasPrices_Linear.csv")
```

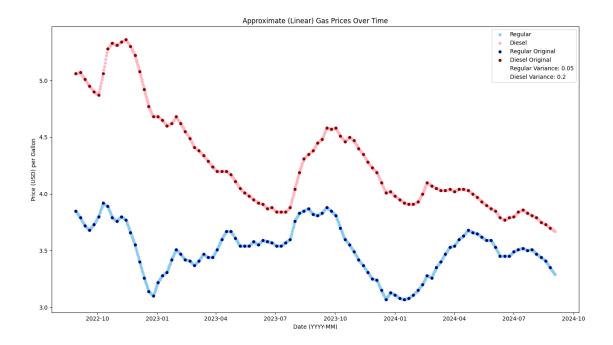
```
[7]: # Figure size
     plt.figure(figsize = (14, 8))
     # Plotting the approximated values
     plt.scatter(GasPrices_Linear['Date'], GasPrices_Linear['Regular'],

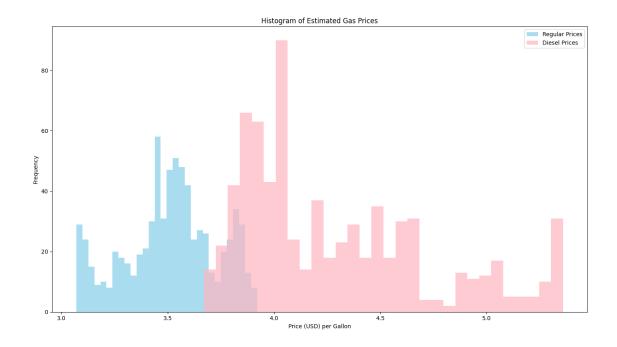
color='skyblue', s=20, label='Regular')

     plt.scatter(GasPrices_Linear['Date'], GasPrices_Linear['Diesel'],

color='lightpink', s=20, label='Diesel')

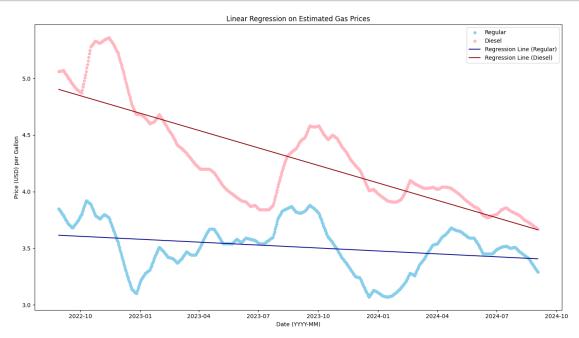
     # Plotting the original values
     plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_
      →Original')
     plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel_
     →Original')
     # Calculating Variance
     regular_linear_var = f"Regular Variance:
      →{round(var(GasPrices_Linear['Regular']), 2)}"
     diesel_linear_var = f"Diesel Variance: {round(var(GasPrices_Linear['Diesel']),__
     ⇒2)}"
     # Adding the variance to the legend
     plt.plot([], [], ' ', label = regular_linear_var)
     plt.plot([], [], ' ', label = diesel_linear_var)
     # Labeling
     plt.title('Approximate (Linear) Gas Prices Over Time')
     plt.xlabel('Date (YYYY-MM)')
     plt.ylabel('Price (USD) per Gallon')
     plt.legend()
     # Displaying
     plt.tight_layout()
     plt.show()
```





```
[9]: \# Creating a sequence from 0 to the length of the DataFrame, and then turning it
     → into a vector with reshape()
     x_regular = np.arange(len(GasPrices_Linear)).reshape(-1, 1)
     y_regular = GasPrices_Linear['Regular']
     x_diesel = np.arange(len(GasPrices_Linear)).reshape(-1, 1)
     y_diesel = GasPrices_Linear['Diesel']
     # Fitting the data in the model using the LinearRegression function
     regression_regular = LinearRegression()
     regression_regular.fit(x_regular, y_regular)
     regression_diesel = LinearRegression()
     regression_diesel.fit(x_diesel, y_diesel)
     # Predicting values using the predict() function
     y_predict_regular = regression_regular.predict(x_regular)
     y_predict_diesel = regression_diesel.predict(x_diesel)
     # Figure size
     plt.figure(figsize=(14, 8))
     # Plotting the approximated values
     plt.scatter(GasPrices_Linear['Date'], GasPrices_Linear['Regular'],

color='skyblue', s=20, label='Regular')
```



#### 0.3 LINEAR APPROXIMATION WITH NOISE

The approach for this is the same as the previous one, with the only difference being that I'll add a random noise to the estimated values. I'll use the noise = np.random.normal(mean, std, size = column.shape) code to generate an array of random noise, and then add it to the estimated values. I'm doing the addid within the loop for each value, to make sure that noise is getting added only to the estimated values, and not to the original data.

It is also notable, that the standard deviation of  $\sigma = 1.5$ , is not suitable for our data, simply because it's too large. I think  $\sigma = 0.1$  will work better. So I'll visualize that as well as the initially requested standard deviation.

```
[10]: \parallel Defining a function to linearly approximate the missing values and return a_{\sqcup}
       →numpy array
      \# It also takes in the mean and standard deviation of the noise to add to the \sqcup
       \rightarrow estimated values
      def linearNoisyApproximate(column: np.ndarray, mean, std) -> np.ndarray:
          weekly_prices = column.copy() # Storing the column's original values
          length = len(column) # Length of the column we are estimating
          # Making a noise array to add to the estimated values
          noise = np.random.normal(mean, std, size = column.shape)
          # Looping through the column
          for i in range(1, length):
               # Stopping at NaN values, to estimate them
              if pd.isna(column[i]):
                   # Marking previous index (which is never NaN)
                   prevIndex = i - 1
                   # Looking for the next non-NaN value
                   nextIndex = i + 1
                   while nextIndex < length and pd.isna(weekly_prices[nextIndex]):</pre>
                       nextIndex += 1
                   # In the case of the extra week in the future, there is no next_{\sqcup}
       →point to use, so we use the last two points
                   if nextIndex >= length:
                       # Finding the second-to-last valid value
                       farPrevIndex = prevIndex - 1
                       while pd.isna(weekly_prices[farPrevIndex]):
                           farPrevIndex -= 1
                       # We check once again if the farPrevIndex is valid before using \Box
       \rightarrow it
                       # We also make sure that the previous index is not NaN and
       →actually in our data range
                       if farPrevIndex >= 0 and not pd.isna(weekly_prices[prevIndex]):
                           # Setting the coordinates of the known original points
                           y1, y2 = weekly_prices[farPrevIndex],__
       →weekly_prices[prevIndex]
                           x1, x2 = farPrevIndex, prevIndex
                   # In other cases, we use the next point as it is below the length's
       \rightarrow index
```

```
elif nextIndex < length:</pre>
                      # Setting the coordinates of the known original points
                      y1, y2 = weekly_prices[prevIndex], weekly_prices[nextIndex]
                      x1, x2 = prevIndex, nextIndex
                  else:
                      # This will never be reached, but its here for safety
                      raise ValueError("Invalid state")
                  # Calculating the slope
                  slope = (y2 - y1) / (x2 - x1)
                  # Filling in the missing values in the week
                  for j in range(prevIndex + 1, nextIndex):
                      column[j] = (weekly_prices[prevIndex] + (slope * (j -__
       →prevIndex))) + noise[j] # Adding noise to each estimated value
          # Returning the updated column
          return column
[11]: # Making a copy of the original dataframe to avoid modifying it
      GasPrices_Linear_Noisy = df.copy()
      # Declaring the mean and standard deviation of the noise
      mean = 0
      standard_deviation = 1.5
      # Estimating the missing values in the Regular and Diesel columns one by one
      GasPrices_Linear_Noisy['Regular'] = ___
       →linearNoisyApproximate(GasPrices_Linear_Noisy['Regular'].values, mean, __
       →standard_deviation)
      GasPrices_Linear_Noisy['Diesel'] =
       →linearNoisyApproximate(GasPrices_Linear_Noisy['Diesel'].values, mean, __
      →standard_deviation)
      # Saving the updated dataframe to a CSV file
      GasPrices_Linear_Noisy.to_csv("GasPrices_Linear_Noisy.csv")
[12]:  # Figure size
      plt.figure(figsize = (14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_Linear_Noisy['Date'], GasPrices_Linear_Noisy['Regular'],

color='skyblue', s=20, label='Regular')

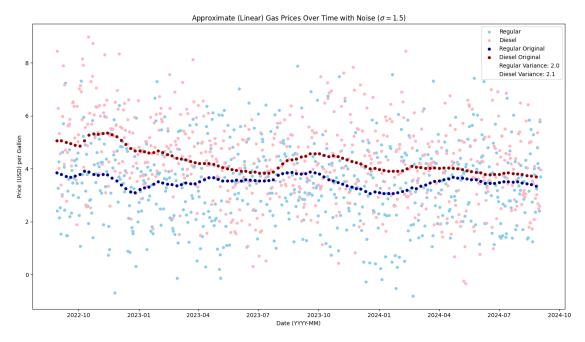
      plt.scatter(GasPrices_Linear_Noisy['Date'], GasPrices_Linear_Noisy['Diesel'],
       ⇒color='lightpink', s=20, label='Diesel')
      # Plotting the original values
      plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_u
```

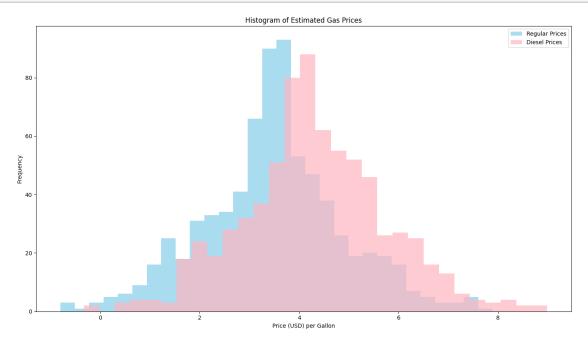
→Original')

```
plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel_
 →Original')
# Calculating Variance
regular_linear_noisy_var = f"Regular Variance:
 →{round(var(GasPrices_Linear_Noisy['Regular']), 2)}"
diesel_linear_noisy_var = f"Diesel Variance:
 →{round(var(GasPrices_Linear_Noisy['Diesel']), 2)}"
# Adding the variance to the legend
plt.plot([], [], ' ', label = regular_linear_noisy_var)
plt.plot([], [], ' ', label = diesel_linear_noisy_var)
# Labeling
plt.title('Approximate (Linear) Gas Prices Over Time with Noise ($\sigma = 1.

→5$)')

plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
# Displaying
plt.tight_layout()
plt.show()
```

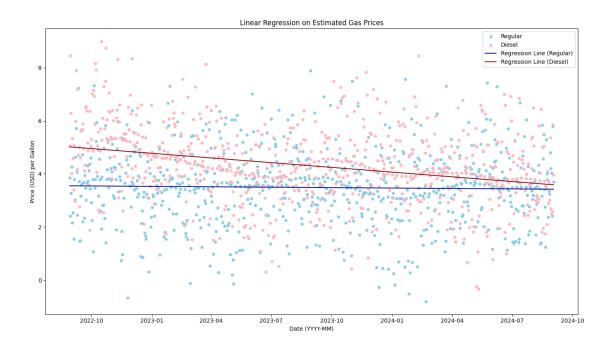




```
y_diesel = GasPrices_Linear_Noisy['Diesel']
# Fitting the data in the model using the LinearRegression function
regression_regular = LinearRegression()
regression_regular.fit(x_regular, y_regular)
regression_diesel = LinearRegression()
regression_diesel.fit(x_diesel, y_diesel)
# Predicting values using the predict() function
y_predict_regular = regression_regular.predict(x_regular)
y_predict_diesel = regression_diesel.predict(x_diesel)
# Figure size
plt.figure(figsize=(14, 8))
# Plotting the approximated values
plt.scatter(GasPrices_Linear_Noisy['Date'], GasPrices_Linear_Noisy['Regular'], ___

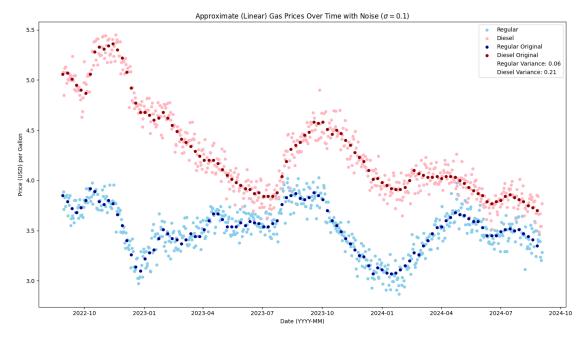
color='skyblue', s=20, label='Regular')

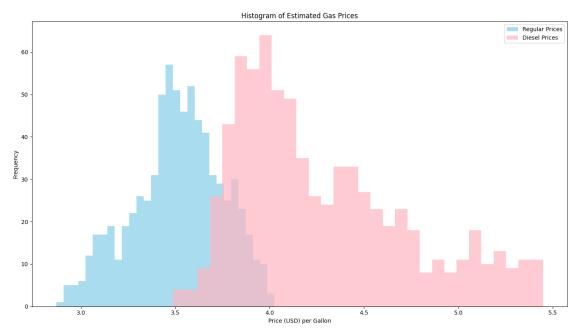
plt.scatter(GasPrices_Linear_Noisy['Date'], GasPrices_Linear_Noisy['Diesel'],
# Plotting the regression lines
plt.plot(GasPrices_Linear_Noisy['Date'], y_predict_regular, color='darkblue',_
→label='Regression Line (Regular)')
plt.plot(GasPrices_Linear_Noisy['Date'], y_predict_diesel, color='darkred',__
⇔label='Regression Line (Diesel)')
# Labeling
plt.title('Linear Regression on Estimated Gas Prices')
plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
# Displaying
plt.tight_layout()
plt.show()
```



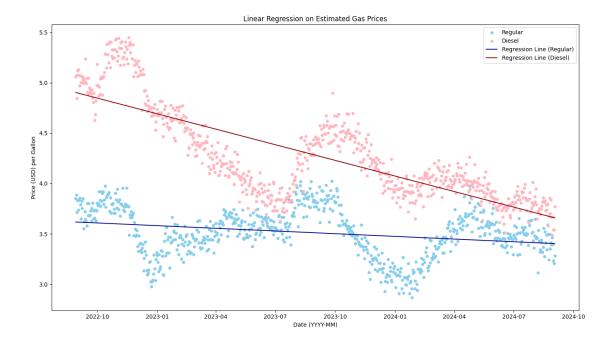
#### ALTERNATIVE APPROACH: $\sigma = 0.1$

```
[15]: My_GasPrices_Linear_Noisy = df.copy()
      mean = 0
      standard_deviation = 0.1
      My_GasPrices_Linear_Noisy['Regular'] =
      →linearNoisyApproximate(My_GasPrices_Linear_Noisy['Regular'].values, mean, 
      →standard_deviation)
      My_GasPrices_Linear_Noisy['Diesel'] =
       →linearNoisyApproximate(My_GasPrices_Linear_Noisy['Diesel'].values, mean, __
       →standard_deviation)
      plt.figure(figsize = (14, 8))
      plt.scatter(My_GasPrices_Linear_Noisy['Date'],__
      →My_GasPrices_Linear_Noisy['Regular'], color='skyblue', s=20, label='Regular')
      plt.scatter(My_GasPrices_Linear_Noisy['Date'],__
      →My_GasPrices_Linear_Noisy['Diesel'], color='lightpink', s=20, label='Diesel')
      plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_
      →Original')
      plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel_
```





```
regression_diesel.fit(x_diesel, y_diesel)
# Predicting values using the predict() function
y_predict_regular = regression_regular.predict(x_regular)
y_predict_diesel = regression_diesel.predict(x_diesel)
# Figure size
plt.figure(figsize=(14, 8))
# Plotting the approximated values
plt.scatter(My_GasPrices_Linear_Noisy['Date'],__
plt.scatter(My_GasPrices_Linear_Noisy['Date'],__
# Plotting the regression lines
plt.plot(My_GasPrices_Linear_Noisy['Date'], y_predict_regular, color='darkblue',__
⇔label='Regression Line (Regular)')
plt.plot(My_GasPrices_Linear_Noisy['Date'], y_predict_diesel, color='darkred',__
→label='Regression Line (Diesel)')
# Labeling
plt.title('Linear Regression on Estimated Gas Prices')
plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
# Displaying
plt.tight_layout()
plt.show()
```



### 0.4 QUADRATIC APPROXIMATION

My approach for quadratic approximation is the same as linear, however with a few extra conditions to deal with three points. In linear approximation we had two different cases, the entire dataset, and the extra week into the future. For quadratic approximation, we have three cases:

- 1- The extra week into the future. Where we have to use the values from the last three weeks to estimate the values. In this case I assign  $x_1$ ,  $x_2$ , and  $x_3$  in a way to ensure that the first slope (first derivative) is closest to the point being estimated. It has to be mentioned, that this is not a really good approximation, but its the best we can do with the data we have.
- 2- The last week of our dataset. Here we only have one next point, rather than two. So we use the two previous points and the first next point to estimate the values. Instead of setting the x values in order however, I'll set them in a way that the next point is the center point, rather than the previous point, to ensure more accurate approximation.
- 3- The rest of the dataset. This is the base case, where we have a previous case (as always), and two next points. I'll set the x values in a way that the center point is the previous point, to ensure the best approximation.

After assigning my x and y values, I'll calculates the two slopes, considering the first slope as the first derivative. To get the second derivative I calculate delta x, and then get the second derivative using delta x, and the two slopes. Finally, I'll plug the values into the quadratic taylor series to get the estimated value. Here, y is the the NaN value, being replaced (estimated).

Finally, after the estimations are done, we'll proceed with calling the functions, and visualizing the data.

```
[18]: # Defining a function to quadratically approximate the missing values and return
       →a numpy array
      def quadraticApproximate(column: np.ndarray) -> np.ndarray:
          weekly_prices = column.copy() # Storing the column's original values
          length = len(column) # Length of the column we are estimating
          # Looping through the column
          for i in range(1, length):
               # Stopping at NaN values, to estimate them
              if pd.isna(column[i]):
                   # Marking previous index (which is never NaN)
                  prevIndex = i - 1
                   # Looking for the first next non-NaN value
                  nextIndex = i + 1
                  while nextIndex < length and pd.isna(weekly_prices[nextIndex]):</pre>
                      nextIndex += 1
                   # Looking for the second next non-NaN value
                  farNextIndex = nextIndex + 1
                  while farNextIndex < length and pd.isna(weekly_prices[farNextIndex]):</pre>
                       farNextIndex += 1
                   # Looking for the second previous non-NaN value
                  farPrevIndex = prevIndex - 1
                  while pd.isna(weekly_prices[farPrevIndex]):
                       farPrevIndex -= 1
                   # Looking for the third previous non-NaN value
                  farFarPrevIndex = farPrevIndex - 1
                  while pd.isna(weekly_prices[farFarPrevIndex]):
                       farFarPrevIndex -= 1
                   # In the case of the extra week in the future, there is no next_
       \rightarrow point(s) to use, so we use the last three points
                   # this case happens when nextIndex is greater than or equal to the \Box
       \rightarrow length (out of our data range) which will also mean farNextIndex is out of
       \hookrightarrow range
                  if nextIndex >= length:
                       # Setting the coordinates of the known original points
                       y1, y2, y3 = weekly_prices[prevIndex],__
       →weekly_prices[farPrevIndex], weekly_prices[farFarPrevIndex]
                       x1, x2, x3 = prevIndex, farPrevIndex, farFarPrevIndex
                   # In the case of the last week recorded (not the week into future),
       we use the last two points and the next point (as we don't have a second next ⊔
       \rightarrowpoint)
```

```
# this case happens when farNextIndex is greater than or equal to_{\sqcup}
→ the length (out of our data range) but the first next point exists
           elif farNextIndex >= length and nextIndex < length:</pre>
                # Setting the coordinates of the known original points
               y1, y2, y3 = weekly_prices[prevIndex], weekly_prices[nextIndex],
→weekly_prices[farPrevIndex]
               x1, x2, x3 = prevIndex, nextIndex, farPrevIndex
           # In the case of the other weeks, we use the previous point, the
→next point, and the second next point
           # this case happens when farNextIndex is within our data range
           elif farNextIndex < length:</pre>
               # Setting the coordinates of the known original points
               y1, y2, y3 = weekly_prices[nextIndex], weekly_prices[prevIndex],
→weekly_prices[farNextIndex]
               x1, x2, x3 = nextIndex, prevIndex, farNextIndex
           else:
               # This will never be reached, but its here for safety
               raise ValueError("Invalid State")
           # Calculating the slopes
           slope1 = (y2 - y1) / (x2 - x1)
           slope2 = (y3 - y2) / (x3 - x2)
           # Calculating derivatives
           delta_x = (x3 - x1) / 2 # Average distance between two points
           f_prime = slope1 # first derivative
           f_double_prime = (slope2 - slope1) / delta_x # second derivative
           # Filling in the missing values in the week
           for j in range(prevIndex + 1, nextIndex):
               if pd.isna(column[j]):
                    # Using the quadratic taylor series to estimate the missing_
\rightarrow value
                    column[j] = y1 + f_prime * (j - x1) + 0.5 * f_double_prime *_{\sqcup}
\rightarrow (i - x1) ** 2
                    ## print(f"index \{j\} estimated with \{x1\}, \{x2\}, \{x3\} and
\rightarrowvalues {y1}, {y2}, {y3}") # For debugging
   # Returning the updated column
   return column
```

```
[19]: # Making a copy of the original dataframe to avoid modifying it

GasPrices_Quadratic = df.copy()

# Estimating the missing values in the Regular and Diesel columns one by one
```

```
[20]:  # Figure size
      plt.figure(figsize = (14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_Quadratic['Date'], GasPrices_Quadratic['Regular'],

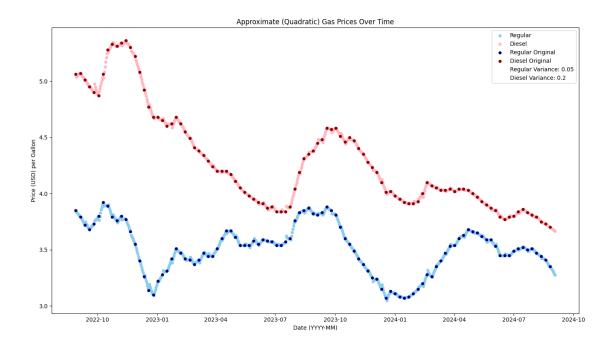
color='skyblue', s=20, label='Regular')

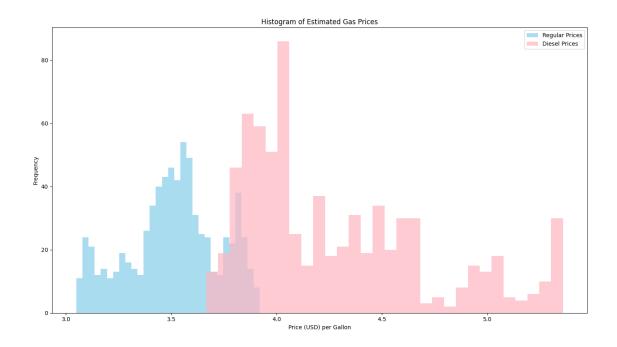
      plt.scatter(GasPrices_Quadratic['Date'], GasPrices_Quadratic['Diesel'], __

color='lightpink', s=20, label='Diesel')

      # Plotting the original values
      plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_

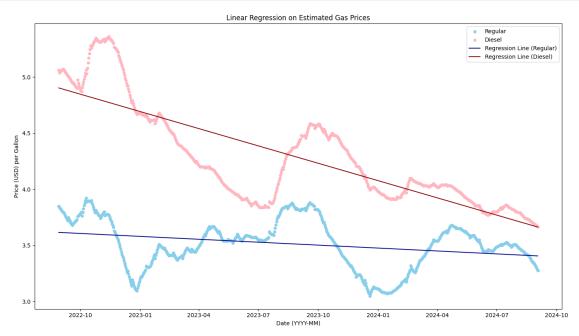
→Original')
      plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel_
      # Calculating Variance
      regular_quad_var = f"Regular Variance:
      →{round(var(GasPrices_Quadratic['Regular']), 2)}"
      diesel_quad_var = f"Diesel Variance: {round(var(GasPrices_Quadratic['Diesel']),__
      ⇒2)}"
      # Adding the variance to the legend
      plt.plot([], [], ' ', label = regular_quad_var)
      plt.plot([], [], ' ', label = diesel_quad_var)
      # Labeling
      plt.title('Approximate (Quadratic) Gas Prices Over Time')
      plt.xlabel('Date (YYYY-MM)')
      plt.ylabel('Price (USD) per Gallon')
      plt.legend()
      # Displaying
      plt.tight_layout()
      plt.show()
```





```
[22]: # Creating a sequence from 0 to the length of the DataFrame, and then turning it___
      → into a vector with reshape()
      x_regular = np.arange(len(GasPrices_Quadratic)).reshape(-1, 1)
      y_regular = GasPrices_Quadratic['Regular']
      x_diesel = np.arange(len(GasPrices_Quadratic)).reshape(-1, 1)
      y_diesel = GasPrices_Quadratic['Diesel']
      # Fitting the data in the model using the LinearRegression function
      regression_regular = LinearRegression()
      regression_regular.fit(x_regular, y_regular)
      regression_diesel = LinearRegression()
      regression_diesel.fit(x_diesel, y_diesel)
      # Predicting values using the predict() function
      y_predict_regular = regression_regular.predict(x_regular)
      y_predict_diesel = regression_diesel.predict(x_diesel)
      # Figure size
      plt.figure(figsize=(14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_Quadratic['Date'], GasPrices_Quadratic['Regular'],__

color='skyblue', s=20, label='Regular')
```



# 0.5 QUADRATIC APPROXIMATION WITH NOISE

Just like adding noise to the linearly approximated values, I'll add noise to the quadratic approximated values with  $\sigma = 1.5$ , while again, also showing the alternative approach with  $\sigma = 0.1$ .

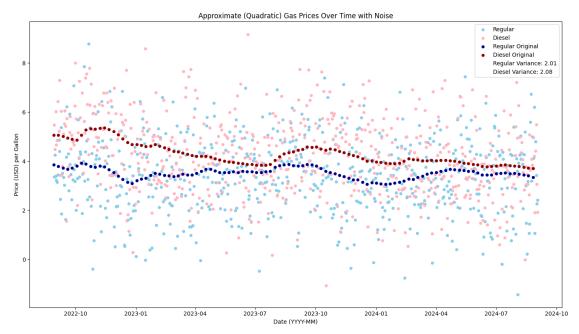
[23]:

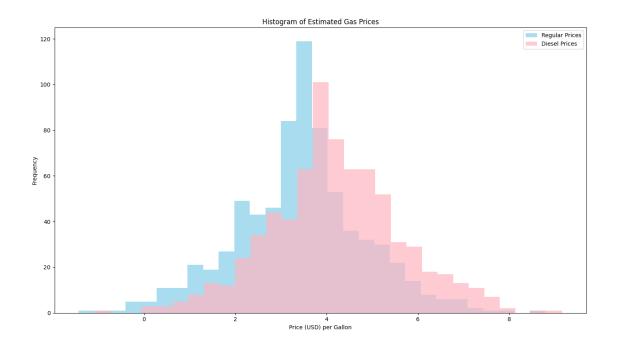
```
# Defining a function to quadratically approximate the missing values and return_{\sqcup}
→a numpy array
# It also takes in the mean and standard deviation of the noise to add to the
\rightarrow estimated values
def quadraticNoisyApproximate(column: np.ndarray, mean, std) -> np.ndarray:
    weekly_prices = column.copy() # Storing the column's original values
    length = len(column) # Length of the column we are estimating
    # Making a noise array to add to the estimated values
    noise = np.random.normal(mean, std, size = column.shape)
    # Looping through the column
    for i in range(1, length):
        # Stopping at NaN values, to estimate them
        if pd.isna(column[i]):
            # Marking previous index (which is never NaN)
            prevIndex = i - 1
            # Looking for the first next non-NaN value
            nextIndex = i + 1
            while nextIndex < length and pd.isna(weekly_prices[nextIndex]):</pre>
                nextIndex += 1
            # Looking for the second next non-NaN value
            farNextIndex = nextIndex + 1
            while farNextIndex < length and pd.isna(weekly_prices[farNextIndex]):</pre>
                farNextIndex += 1
            # Looking for the second previous non-NaN value
            farPrevIndex = prevIndex - 1
            while pd.isna(weekly_prices[farPrevIndex]):
                farPrevIndex -= 1
            # Looking for the third previous non-NaN value
            farFarPrevIndex = farPrevIndex - 1
            while pd.isna(weekly_prices[farFarPrevIndex]):
                farFarPrevIndex -= 1
            # In the case of the extra week in the future, there is no next_{\sqcup}
 \rightarrow point(s) to use, so we use the last three points
            # this case happens when nextIndex is greater than or equal to the
→length (out of our data range) which will also mean farNextIndex is out of
 \rightarrow range
            if nextIndex >= length:
                # Setting the coordinates of the known original points
                y1, y2, y3 = weekly_prices[prevIndex],_
 →weekly_prices[farPrevIndex], weekly_prices[farFarPrevIndex]
```

```
x1, x2, x3 = prevIndex, farPrevIndex, farFarPrevIndex
           # In the case of the last week recorded (not the week into future), \Box
we use the last two points and the next point (as we don't have a second next
\rightarrow point)
           # this case happens when farNextIndex is greater than or equal to_1
→ the length (out of our data range) but the first next point exists
           elif farNextIndex >= length and nextIndex < length:</pre>
               # Setting the coordinates of the known original points
               y1, y2, y3 = weekly_prices[prevIndex], weekly_prices[nextIndex],
→weekly_prices[farPrevIndex]
               x1, x2, x3 = prevIndex, nextIndex, farPrevIndex
           # In the case of the other weeks, we use the previous point, the
→next point, and the second next point
           # this case happens when farNextIndex is within our data range
           elif farNextIndex < length:</pre>
               # Setting the coordinates of the known original points
               y1, y2, y3 = weekly_prices[nextIndex], weekly_prices[prevIndex],_
→weekly_prices[farNextIndex]
               x1, x2, x3 = nextIndex, prevIndex, farNextIndex
           else:
               # This will never be reached, but its here for safety
               raise ValueError("Invalid State")
           # Calculating the slopes
           slope1 = (y2 - y1) / (x2 - x1)
           slope2 = (y3 - y2) / (x3 - x2)
           # Calculating derivatives
           delta_x = (x3 - x1) / 2 \# Average \ distance \ between \ two \ points
           f_prime = slope1 # first derivative
           f_double_prime = (slope2 - slope1) / delta_x # second derivative
           # Filling in the missing values in the week
           for j in range(prevIndex + 1, nextIndex):
               if pd.isna(column[j]):
                   # Using the quadratic taylor series to estimate the missing_
\rightarrow value
                   column[j] = (y1 + f_prime * (j - x1) + 0.5 * f_double_prime_1
→* (j - x1) ** 2) + noise[j] # Adding noise to each estimated value
   # Returning the updated column
   return column
```

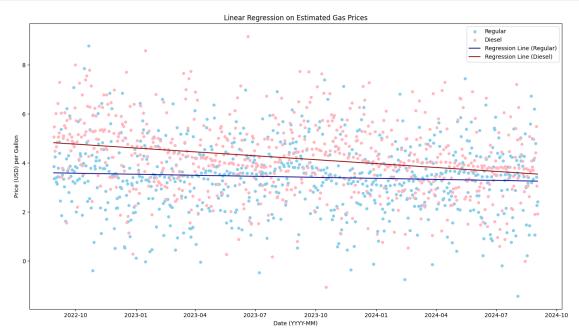
```
[24]: # Making a copy of the original dataframe to avoid modifying it
      GasPrices_Quadratic_Noisy = df.copy()
      # Declaring the mean and standard deviation of the noise
      mean = 0
      standard_deviation = 1.5
      # Estimating the missing values in the Regular and Diesel columns one by one
      GasPrices_Quadratic_Noisy['Regular'] =__
      →quadraticNoisyApproximate(GasPrices_Quadratic_Noisy['Regular'].values, mean, __
       →standard_deviation)
      GasPrices_Quadratic_Noisy['Diesel'] =_
       →quadraticNoisyApproximate(GasPrices_Quadratic_Noisy['Diesel'].values, mean, ___
      ⇔standard_deviation)
      # Saving the updated dataframe to a CSV file
      GasPrices_Quadratic_Noisy.to_csv("GasPrices_Quadratic_Noisy.csv")
[25]: # Figure size
      plt.figure(figsize = (14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_Quadratic_Noisy['Date'],__
       →GasPrices_Quadratic_Noisy['Regular'], color='skyblue', s=20, label='Regular')
      plt.scatter(GasPrices_Quadratic_Noisy['Date'],__
      →GasPrices_Quadratic_Noisy['Diesel'], color='lightpink', s=20, label='Diesel')
      # Plotting the original values
      plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_
       plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Dieselu
      →Original')
      # Calculating Variance
      regular_quad_noisy_var = f"Regular Variance: u
       →{round(var(GasPrices_Quadratic_Noisy['Regular']), 2)}"
      diesel_quad_noisy_var = f"Diesel Variance:__
       →{round(var(GasPrices_Quadratic_Noisy['Diesel']), 2)}"
      # Adding the variance to the legend
      plt.plot([], [], ' ', label = regular_quad_noisy_var)
      plt.plot([], [], ' ', label = diesel_quad_noisy_var)
      # Labeling
      plt.title('Approximate (Quadratic) Gas Prices Over Time with Noise')
      plt.xlabel('Date (YYYY-MM)')
      plt.ylabel('Price (USD) per Gallon')
      plt.legend()
```

```
# Displaying
plt.tight_layout()
plt.show()
```





```
[27]: # Creating a sequence from 0 to the length of the DataFrame, and then turning it
      → into a vector with reshape()
      x_regular = np.arange(len(GasPrices_Quadratic_Noisy)).reshape(-1, 1)
      y_regular = GasPrices_Quadratic_Noisy['Regular']
      x_diesel = np.arange(len(GasPrices_Quadratic_Noisy)).reshape(-1, 1)
      y_diesel = GasPrices_Quadratic_Noisy['Diesel']
      # Fitting the data in the model using the LinearRegression function
      regression_regular = LinearRegression()
      regression_regular.fit(x_regular, y_regular)
      regression_diesel = LinearRegression()
      regression_diesel.fit(x_diesel, y_diesel)
      # Predicting values using the predict() function
      y_predict_regular = regression_regular.predict(x_regular)
      y_predict_diesel = regression_diesel.predict(x_diesel)
      # Figure size
      plt.figure(figsize=(14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_Quadratic_Noisy['Date'],__
       →GasPrices_Quadratic_Noisy['Regular'], color='skyblue', s=20, label='Regular')
```

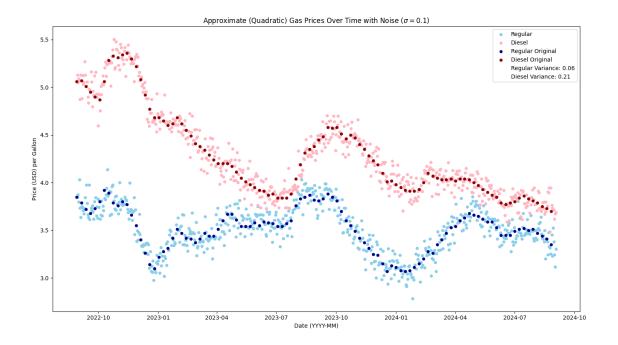


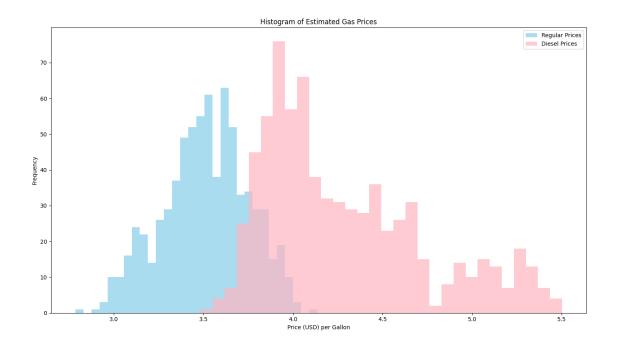
Alternative approach:  $\sigma = 0.1$ 

```
[28]: My_GasPrices_Quadratic_Noisy = df.copy()

mean = 0
standard_deviation = 0.1
```

```
My_GasPrices_Quadratic_Noisy['Regular'] =
__
→quadraticNoisyApproximate(My_GasPrices_Quadratic_Noisy['Regular'].values, ___
→mean, standard_deviation)
My_GasPrices_Quadratic_Noisy['Diesel'] =_
→quadraticNoisyApproximate(My_GasPrices_Quadratic_Noisy['Diesel'].values, mean,,,
→standard_deviation)
plt.figure(figsize = (14, 8))
plt.scatter(My_GasPrices_Quadratic_Noisy['Date'],__
→label='Regular')
plt.scatter(My_GasPrices_Quadratic_Noisy['Date'],__
→label='Diesel')
plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_u
→Original')
plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel_
→Original')
regular_quad_noisy_var = f"Regular Variance:
→{round(var(My_GasPrices_Quadratic_Noisy['Regular']), 2)}"
diesel_quad_noisy_var = f"Diesel Variance:
→ {round(var(My_GasPrices_Quadratic_Noisy['Diesel']), 2)}"
plt.plot([], [], ' ', label = regular_quad_noisy_var)
plt.plot([], [], ' ', label = diesel_quad_noisy_var)
plt.title('Approximate (Quadratic) Gas Prices Over Time with Noise ($\sigma = 0.
→1$)')
plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
plt.tight_layout()
plt.show()
```

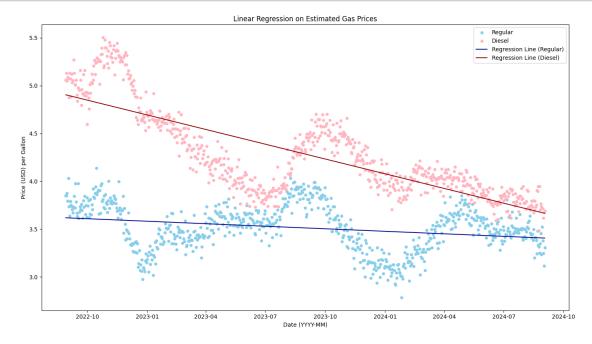




```
[30]: # Creating a sequence from 0 to the length of the DataFrame, and then turning it
      → into a vector with reshape()
     x_regular = np.arange(len(My_GasPrices_Quadratic_Noisy)).reshape(-1, 1)
     y_regular = My_GasPrices_Quadratic_Noisy['Regular']
     x_diesel = np.arange(len(My_GasPrices_Quadratic_Noisy)).reshape(-1, 1)
     y_diesel = My_GasPrices_Quadratic_Noisy['Diesel']
     # Fitting the data in the model using the LinearRegression function
     regression_regular = LinearRegression()
     regression_regular.fit(x_regular, y_regular)
     regression_diesel = LinearRegression()
     regression_diesel.fit(x_diesel, y_diesel)
     # Predicting values using the predict() function
     y_predict_regular = regression_regular.predict(x_regular)
     y_predict_diesel = regression_diesel.predict(x_diesel)
     # Figure size
     plt.figure(figsize=(14, 8))
     # Plotting the approximated values
     plt.scatter(My_GasPrices_Quadratic_Noisy['Date'],__
      →label='Regular')
```

```
plt.scatter(My_GasPrices_Quadratic_Noisy['Date'],__
→My_GasPrices_Quadratic_Noisy['Diesel'], color='lightpink', s=20,__
→label='Diesel')
# Plotting the regression lines
plt.plot(My_GasPrices_Quadratic_Noisy['Date'], y_predict_regular,___

→color='darkblue', label='Regression Line (Regular)')
plt.plot(My_GasPrices_Quadratic_Noisy['Date'], y_predict_diesel,__
# Labeling
plt.title('Linear Regression on Estimated Gas Prices')
plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
# Displaying
plt.tight_layout()
plt.show()
```



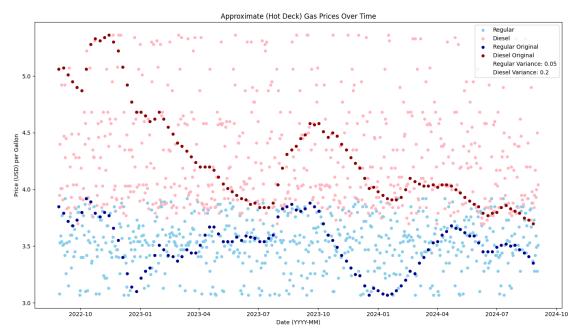
# 0.6 HOT DECK APPROXIMATION

For hot deck imputation, I'll first make a copy of the original DataFrame, and then remove the NaN values from the column and set it to another numpy array. Then I'll iterate through the column, and if the value is NaN, I'll replace it with a random value from the numpy array. When the loop is done iterating, I'll return the column.

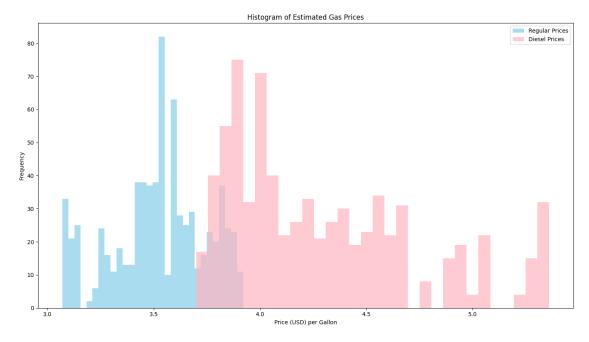
```
[31]: # Defining a function to approximate the missing values with hot deck approach
       \rightarrow and return a numpy array
      def hotDeckApproximate(column: np.ndarray) -> np.ndarray:
          weekly_prices = column.copy() # Storing the column's original values
          # Removing NaN values from the column to get an array of only the original \Box
       \hookrightarrow prices
          original_prices = weekly_prices[~pd.isna(weekly_prices)]
          # Looping through the column
          for i in range(1, len(column)):
              # Stopping at NaN values, to estimate them
              if pd.isna(column[i]):
                  # Choosing a random value from the array of original prices and \square
       \rightarrow filling the NaN values
                  column[i] = np.random.choice(original_prices)
          # Returning the updated column
          return column
[32]: # Making a copy of the original dataframe to avoid modifying it
      GasPrices_HotDeck = df.copy()
      # Estimating the missing values in the Regular and Diesel columns one by one
      GasPrices_HotDeck['Regular'] = hotDeckApproximate(GasPrices_HotDeck['Regular'].
      →values)
      GasPrices_HotDeck['Diesel'] = hotDeckApproximate(GasPrices_HotDeck['Diesel'].
      # Saving the updated dataframe to a CSV file
      GasPrices_HotDeck.to_csv("GasPrices_HotDeck.csv")
[33]: # Figure size
      plt.figure(figsize = (14, 8))
      # Plotting the approximated values
      plt.scatter(GasPrices_HotDeck['Date'], GasPrices_HotDeck['Regular'],

color='skyblue', s=20, label='Regular')

      plt.scatter(GasPrices_HotDeck['Date'], GasPrices_HotDeck['Diesel'],__
       # Plotting the original values
      plt.scatter(df['Date'], df['Regular'], color='darkblue', s=20, label='Regular_
       →Original')
      plt.scatter(df['Date'], df['Diesel'], color='darkred', s=20, label='Diesel__
       →Original')
      # Calculating Variance
```



```
[34]: # Figure size
plt.figure(figsize=(14, 8))
# Plotting the histogram of approximated values
```



```
[35]: # Creating a sequence from 0 to the length of the DataFrame, and then turning it into a vector with reshape()

x_regular = np.arange(len(GasPrices_HotDeck)).reshape(-1, 1)

y_regular = GasPrices_HotDeck['Regular']

x_diesel = np.arange(len(GasPrices_HotDeck)).reshape(-1, 1)

y_diesel = GasPrices_HotDeck['Diesel']

# Fitting the data in the model using the LinearRegression function

regression_regular = LinearRegression()
```

```
regression_regular.fit(x_regular, y_regular)
regression_diesel = LinearRegression()
regression_diesel.fit(x_diesel, y_diesel)
# Predicting values using the predict() function
y_predict_regular = regression_regular.predict(x_regular)
y_predict_diesel = regression_diesel.predict(x_diesel)
# Figure size
plt.figure(figsize=(14, 8))
# Plotting the approximated values
plt.scatter(GasPrices_HotDeck['Date'], GasPrices_HotDeck['Regular'],

color='skyblue', s=20, label='Regular')

plt.scatter(GasPrices_HotDeck['Date'], GasPrices_HotDeck['Diesel'],

color='lightpink', s=20, label='Diesel')

# Plotting the regression lines
plt.plot(GasPrices_HotDeck['Date'], y_predict_regular, color='darkblue',_
→label='Regression Line (Regular)')
plt.plot(GasPrices_HotDeck['Date'], y_predict_diesel, color='darkred',__
⇔label='Regression Line (Diesel)')
# Labeling
plt.title('Linear Regression on Estimated Gas Prices')
plt.xlabel('Date (YYYY-MM)')
plt.ylabel('Price (USD) per Gallon')
plt.legend()
# Displaying
plt.tight_layout()
plt.show()
```

