

EXECUTIVE SUMMARY

This information package was developed to assist all parties participating in the monthly Gas Cost Flow Through Rate (GCFR) process for Direct Energy Regulated Services Deferred Gas Account (DGA).

This document contains information used to derive a Rider F of \$3.584/GJ for Direct Energy Regulated Services (DERS) gas customers for September 2010.

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INTRODUCTION

This section provides an overview of the Deferred Gas Account (DGA).

Schedules M-1 and M-2 show the DGA components as of August 25, 2010.

Schedule M-1 includes actual, estimated and forecast costs for the various gas supply components and actual, estimated and forecast dollars for the recovery components.

Schedule M-2 includes actual, estimated and forecast energy balance for the DGA.

In order to zero the forecast balance of the DGA on September 30, 2010, a Rider F of \$3.584/GJ should be implemented for DERS Gas Customers on September 01, 2010.

**SECTION 1
DGA COST AND RECOVERY OVERVIEW**

**SCHEDULE M-1
MONTHLY DGA COSTS AND RECOVERIES**

Line	Description	Units	A	B	C	D	E
			Previous Period Adjustment	Actual Jun-10	Estimate Jul-10	Estimate Aug-10	Forecast Sep-10
1	Opening Cumulative DGA Balance	\$,000	1,057	1,182	(112)	726	(1,076)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	7,107	7,020	5,983	8,894
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Imbalances	\$,000	0	0	0	0	0
5	Total Gas Supply Costs	\$,000	0	7,107	7,020	5,983	8,894
<u>Adjustments</u>							
6	Transportation	\$,000	0	(21)	(19)	5	3
7	Procurement	\$,000	0	26	26	31	31
8	Bad Debts**	\$,000	0	241	241	0	0
9	Working Capital**	\$,000	0	49	49	0	0
10	Credit Charge**	\$,000	0	49	49	0	0
11	Net Gas Costs	\$,000	0	7,451	7,366	6,020	8,928
<u>Recoveries</u>							
12	Net Calendar Sales*	\$,000	125	5,959	8,012	4,143	10,004
13	Excess System Sales	\$,000	0	71	64	75	0
14	Penalty Revenue**	\$,000	0	127	127	0	0
15	Total Recoveries	\$,000	125	6,157	8,204	4,218	10,004
16	Current DGA Balance	\$,000	125	(1,294)	838	(1,802)	1,076
17	Closing Cumulative DGA Balance	\$,000	1,182	(112)	726	(1,076)	0

* Net Calendar Sales excludes return margin amounts.

**Charges for forecast Bad Debt, Working Capital, Credit Charges and Penalty Revenue will now be shown as a per GJ charge on Schedule F-3 effective August 2010 as per Decision 2010-317.

August 25, 2010

**SCHEDULE M-2
MONTHLY DGA ENERGY BALANCE**

Line	Description	Units	A Actual Jun-10	B Estimate Jul-10	C Estimate Aug-10	D Forecast Sep-10
<u>Gas Supply Costs</u>						
1	Purchases	TJ	1,927	1,857	1,753	2,861
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	1,927	1,857	1,753	2,861
<u>Recoveries</u>						
4	Calendar Sales	TJ	1,842	1,696	1,724	2,852
5	Excess System Sales	TJ	18	19	24	0
6	Total Recoveries	TJ	1,860	1,715	1,747	2,852
7	Load Balancing / UFG Estimate	TJ	(67)	(142)	(6)	(8)

SPECIAL NOTES

INTRODUCTION

This section provides details of the Deferred Gas Account (DGA) components for June 2010.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for June 2010 as of May 25, 2010 and August 25, 2010 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

June 2010

Line	Description	Units	Forecast May 25, 2010	Actual August 25, 2010	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	5,520	7,107	1,587
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	5,520	7,107	1,587
	<u>Adjustments</u>				
5	Transportation	\$,000	(19)	(21)	(2)
6	Procurement	\$,000	26	26	0
7	Bad Debts	\$,000	241	241	0
8	Working Capital	\$,000	49	49	0
9	Credit Charge	\$,000	49	49	0
10	Net Gas Costs	\$,000	5,866	7,451	1,584
	<u>Recoveries</u>				
11	Sales	\$,000	4,976	5,959	983
12	Excess System Sales	\$,000	0	71	71
13	Penalty Revenue	\$,000	127	127	0
14	Total Recoveries	\$,000	5,103	6,157	1,054

* Net Calendar Sales excludes return margin amounts.

August 25, 2010

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for June 2010 as of May 25, 2010 and August 25, 2010. It also shows the normal and actual degree days for June 2010.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
June 2010

Line	Description	Units	Forecast May 25, 2010	Actual August 25, 2010	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	1,545	1,927	382
2	Imbalances	TJ	0	0	0
<hr/>					
3	Total Energy	TJ	1,545	1,927	382
<u>Recoveries</u>					
4	Calendar Sales	TJ	1,539	1,842	304
5	Excess System Sales	TJ	0	18	18
<hr/>					
6	Total Recoveries	TJ	1,539	1,860	321
<hr/>					
7	DGA UFG	TJ	(6)	(67)	(61)
8	Degree Days	DD	0	22	22

August 25, 2010

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for June 2010 as of August 25, 2010.

SCHEDULE R-3
ACTUAL GAS PURCHASES
June 2010

Line	Description	Units	Actual August 25, 2010
1	ON-System ATCO Supplies	\$,000	5,181
2		TJ	1,400
3		\$/GJ	3.700
4	Nova Inventory Transfer Supplies	\$,000	1,925
5		TJ	527
6		\$/GJ	3.654
7	Total Purchases	\$,000	7,106
8		TJ	1,927
9		\$/GJ	3.687

August 25, 2010

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO North gas components for June 2010 as of August 25, 2010.

SCHEDULE R-4
ACTUAL GAS PURCHASES - ON-SYSTEM ATCO SUPPLIES

	June 2010	Actual August 25, 2010	
Line	Description	Units	
1	Long Term Indexed	\$,000	488
2		TJ	125
3		\$/GJ	3.918
4	Total Long Term	\$,000	488
5		TJ	125
6		\$/GJ	3.918
7	Short Term (Monthly Index)	\$,000	3,216
8		TJ	900
9		\$/GJ	3.573
10	Short Term (Daily Index)	\$,000	1,477
11		TJ	376
12		\$/GJ	3.930
13	Total Short Term	\$,000	4,693
14		TJ	1,276
15		\$/GJ	3.678
16	Total ON-System ATCO Supplies	\$,000	5,181
17		TJ	1,400
18		\$/GJ	3.700

August 25, 2010

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for June 2010 as of August 25, 2010.

SCHEDULE R-5
ACTUAL GAS PURCHASES - NOVA INVENTORY TRANSFER SUPPLIES

		June 2010	Actual August 25, 2010
Line	Description	Units	
1	Long Term Indexed	\$,000	0
2		TJ	0
3		\$/GJ	0.000
4	Total Long Term	\$,000	0
5		TJ	0
6		\$/GJ	0.000
7	Short Term (Monthly Index)	\$,000	1,623
8		TJ	450
9		\$/GJ	3.608
10	Short Term (Daily Index)	\$,000	302
11		TJ	77
12		\$/GJ	3.928
13	Total Short Term	\$,000	1,925
14		TJ	527
15		\$/GJ	3.654
16	Total Nova Inventory Transfer Supplies	\$,000	1,925
17		TJ	527
18		\$/GJ	3.654

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Schedule R-6 shows the forecast and actual unit gas prices for June 2010 as of May 25, 2010 and August 25, 2010 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
June 2010

Line	Description	Units	Forecast May 25, 2010	Actual August 25, 2010	Actual less Forecast
1	AECO Monthly Index	\$/GJ	3.5654	3.6000	0.0346
2	AECO Daily INDEX	\$/GJ	3.6875	3.8954	0.2079

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including May 21, 2010 on the AECO/NGX Intra-Alberta June (Near Month) instrument as reported by NGX.
2. The actual unit price in Line 1 was the weighted average price of the transactions made up to and including May 31, 2010 on the AECO/NGX Intra-Alberta June (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the June, AECO/NGX Intra-Alberta Settlement prices on May 17, 18, 19, 20 & 21, 2010.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in June, 2010 as reported by NGX and includes all weekend deals.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-7 shows the actual contract storage and transportation costs for June 2010 as of August 25, 2010.

The TCPL (AB) transportation costs reflect Firm Transportation Receipt charges on the NOVA Gas transmission system and the AP FSR transportation costs reflect Firm Service Receipt charges on the ATCO Pipelines system.

SCHEDULE R-7
TRANSPORTATION & STORAGE COSTS
June 2010

Line	Description	Units	Actual August 25, 2010
1	Transportation -- AP OPR	\$,000	(21)
	Total		(21)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

The R-10 schedules show the actual day gas sales and purchases for the reconciliation month as at the filing date.

Short term transaction totals in schedules R 10 B & D are shown only if all four of these criteria are satisfied:

1. Transactions are done for the same time frame (e.g. same day or yesterday).
2. Transactions are done for the same point (i.e. NIT, ATCO North or ATCO South).
3. Transactions are done using the same pricing regime (i.e. fixed vs. index based).
4. Both regulated and deregulated deals are transacting in the same direction (i.e. both selling or both buying).

Schedule R 10 A N - Actual Spot Gas Purchases by Trade Day

June 2010

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

DAY	Yesterday (YD)			AECO YD	Same Day (SD)					AECO Daily
	Avg. Cost		Total Cost	Daily Average	Fixed	Avg. Cost	Index Related	Avg. Cost	Total Cost	Index
	GJ's	\$/GJ	\$	\$/GJ	GJ's	\$/GJ	GJ's	\$/GJ	\$	\$/GJ
2	2,300	3.7535	8,633.05	3.8319	0	0.0000	0	0.0000	0.00	3.7535
3	(2,100)	4.0400	(8,484.00)	4.0630	0	0.0000	0	0.0000	0.00	3.8400
6	(5,000)	4.1000	(20,500.00)	4.1137	0	0.0000	0	0.0000	0.00	4.0267
7	(1,700)	4.1696	(7,088.32)	4.1818	0	0.0000	0	0.0000	0.00	4.1696
8	5,000	4.0700	20,350.00	4.0612	5,000	4.1700	0	0.0000	20,850.00	4.1967
9	10,000	4.0050	40,050.00	4.0095	0	0.0000	0	0.0000	0.00	4.0641
10	0	0.0000	0.00	3.9999	0	0.0000	10,000	3.9955	39,955.00	3.9980
11	0	0.0000	0.00	3.8880	19,000	4.0000	1,000	3.9712	79,971.20	3.9712
12	100	3.7900	379.00	3.7284	0	0.0000	0	0.0000	0.00	3.8929
13	7,500	3.7843	28,382.25	3.8788	0	0.0000	0	0.0000	0.00	3.7843
15	(1,100)	4.1286	(4,541.46)	4.0795	0	0.0000	0	0.0000	0.00	4.1286
16	(5,000)	4.0905	(20,452.50)	3.9721	0	0.0000	0	0.0000	0.00	4.0905
17	3,300	3.9200	12,936.00	3.8857	0	0.0000	0	0.0000	0.00	3.9843
18	1,000	3.8864	3,886.40	3.8970	0	0.0000	0	0.0000	0.00	3.8864
22	(2,200)	3.7940	(8,346.80)	3.9010	0	0.0000	5,000	3.7940	18,970.00	3.7940
26	3,200	3.6420	11,654.40	3.3829	0	0.0000	0	0.0000	0.00	3.6420
27	(400)	3.4700	(1,388.00)	3.4726	0	0.0000	0	0.0000	0.00	3.4340
30	4,400	3.5538	15,636.72	3.5724	0	0.0000	0	0.0000	0.00	3.5538
	19,300		71,106.74	TOTALS	24,000		16,000		159,746.20	

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Schedule R 10 C N - Actual Spot Gas Purchases by Trade Day
June 2010
Direct Energy Regulated Services
ON- System ATCO Supplies

YD table is not applicable for this schedule.

DAY	Yesterday (YD)			AECO YD	Same Day (SD)					AECO Daily
	Avg. Cost		Total Cost	Daily Average	Fixed	Avg. Cost	Index Related	Avg. Cost	Total Cost	Index
	GJ's	\$/GJ	\$	\$/GJ	GJ's	\$/GJ	GJ's	\$/GJ	\$	\$/GJ
1	0	0.0000	0.00	0.0000	0	0.0000	27,000	3.7799	102,056.90	3.8222
2	0	0.0000	0.00	0.0000	0	0.0000	21,000	3.7102	77,913.50	3.7535
3	0	0.0000	0.00	0.0000	0	0.0000	30,900	3.7914	117,155.75	3.8400
4	0	0.0000	0.00	0.0000	0	0.0000	52,500	4.0201	211,055.25	4.0828
7	0	0.0000	0.00	0.0000	0	0.0000	22,000	4.1246	90,741.20	4.1696
8	0	0.0000	0.00	0.0000	0	0.0000	25,000	4.1472	103,680.00	4.1967
9	0	0.0000	0.00	0.0000	0	0.0000	32,000	4.0100	128,321.20	4.0641
10	0	0.0000	0.00	0.0000	0	0.0000	31,500	3.9496	124,412.00	3.9980
11	0	0.0000	0.00	0.0000	0	0.0000	16,000	3.9407	63,051.20	3.9712
14	0	0.0000	0.00	0.0000	0	0.0000	11,600	3.9132	45,393.12	3.9632
15	0	0.0000	0.00	0.0000	0	0.0000	30,000	4.0786	122,358.00	4.1286
16	0	0.0000	0.00	0.0000	0	0.0000	15,000	4.0430	60,645.00	4.0905
17	0	0.0000	0.00	0.0000	0	0.0000	13,600	3.9368	53,540.48	3.9843
18	0	0.0000	0.00	0.0000	0	0.0000	15,600	3.8363	59,846.04	3.8864
24	0	0.0000	0.00	0.0000	0	0.0000	5,000	3.8104	19,052.00	3.8679
25	0	0.0000	0.00	0.0000	0	0.0000	12,000	3.7791	45,349.20	3.8425
30	0	0.0000	0.00	0.0000	0	0.0000	15,000	3.4733	52,099.50	3.5538
	0		0.00	TOTALS	0		375,700		1,476,670.34	

Schedule R 10 I N - Long Term & Short Term Purchases
June 2010

Direct Energy Regulated Services

ON-System Atco Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
183218	06/01/2010	06/30/2010	5,892	3.827	22,546
183219	06/01/2010	06/30/2010	106,362	3.920	416,913
Total Long Term Indexed			112,254	3.915	439,459
596327	06/01/2010	06/30/2010	11,989	3.952	47,377
596320	06/01/2010	06/30/2010	351	3.916	1,375
Total -Long Term Indexed			12,340	3.951	48,752
674900	06/01/2010	06/30/2010	900,000	3.573	3,215,961
Total Short Term(Monthly Index)			900,000	3.573	3,215,961

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Schedule R 10 J N - Long Term & Short Term(Monthly Index) Purchases
June 2010

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
762732	06/01/2010	06/30/2010	450,000	3.608	1,623,375
Total Short Term(Monthly Index)			450,000	3.608	1,623,375

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for September 2010.

Schedule M-1 in Section 1 shows the forecast costs for the various gas supply categories, gas cost adjustments and the forecast dollars for the various recovery components for September 2010.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for September 2010.

Schedule F-1 shows the forecast of gas purchases for September 2010 by pricing mechanism. As shown in Schedule F-1, most of the gas purchases have AECO Monthly or Daily Index pricing mechanism.

Most of the Other purchase category is also influenced by AECO index pricing mechanism.

SCHEDULE F-1
FORECAST GAS PURCHASES
September 2010

Line	Description	Units	Forecast August 25, 2010
1	AECO Monthly Index	TJ	1,500
2	AECO Daily Index	TJ	1,346
3	Other	TJ	15
	Total	TJ	2,861

Schedule F-2 shows the forecast of the unit gas prices for September 2010.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
September 2010

Line	Description	UNIT	Forecast August 25, 2010
1	AECO Monthly Index	\$/GJ	3.1985
2	AECO Daily Index (1)	\$/GJ	3.0080

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including August 24, 2010 on the AECO/NGX Intra-Alberta September (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the September, AECO/NGX Intra-Alberta Settlement prices on August 18, 19, 20, 23 & 24, 2010.

In order to zero the forecast balance of the DGA on September 30, 2010, a Rider F of \$3.584/GJ should be implemented on September 01, 2010. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3
RIDER F RATE DERIVATION**

September 2010

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(1,076)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 11, Column E	8,928
3	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 11, Column E	0
4	Excess System Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
5	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 4	10,004
6	Forecast Monthly Sales	TJ	Schedule M-2, Line 5, Column D	2,852
7	GCFR	\$/GJ	Line 5 divided by Line 6	3.507
8	Approved Energy Related Charges	\$/GJ	Decision 2010-317	0.051
9	2010 Approved Return Margin	\$/GJ	Decision 2010-317	0.025
10	Rider F	\$/GJ	Line 7 + Line 8 + Line 9	3.584

SPECIAL NOTES

