

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 \$3.730/GJ for Direct Energy Regulated Services (DERS) gas customers for September 2010.

1 DGA COST AND RECOVERY OVERVIEW

Schedule M-1: Monthly DGA Costs and Recoveries
Schedule M-2: Monthly DGA Energy Balance
Any special notes as required

2 RECONCILIATION MONTH SCHEDULES

Schedule R-1: Forecast and Actual DGA Costs and Recoveries
Schedule R-2: DGA Energy Balance and Degree Days
Schedule R-3: Actual Gas Purchases
Schedule R-4: Actual Gas Purchases - ON - System ATCO South Supplies
Schedule R-5: Actual Gas Purchases - Nova Inventory Transfer Supplies
Schedule R-6: Forecast and Actual Unit Gas Prices
Schedule R-7: Transportation and Storage Costs
Schedule R-10: Actual Gas Purchases - Details
Any special notes as required

3 FORECAST MONTH SCHEDULES

Schedule F-1: Forecast Gas Purchases
Schedule F-2: Forecast Unit Gas Prices
Schedule F-3: Rider F Rate Derivation
Any special notes as required

4 OTHER SCHEDULES

Schedule C-1: Cost of Credit Support

5 APPENDIX

As Applicable

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 \$3.730/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	(388)	(283)	410	551	(1,384)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	7,589	6,500	5,687	8,042
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	7,589	6,500	5,687	8,042
<u>Adjustments</u>							
6	Transportation	\$,000	0	1	0	0	(6)
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	7,955	6,864	5,719	8,068
<u>Recoveries</u>							
12	Net Calendar Sales*	\$,000	105	8,217	6,839	3,752	9,452
13	Excess System Sales	\$,000	0	304	39	31	0
14	Penalty Revenue**	\$,000	0	127	127	0	0
15	Total Recoveries	\$,000	105	8,648	7,005	3,783	9,452
16	Current DGA Balance	\$,000	105	693	141	(1,936)	1,384
17	Closing Cumulative DGA Balance	\$,000	(283)	410	551	(1,384)	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	2,022	1,751	1,670	2,601
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	2,022	1,751	1,670	2,601
<u>Recoveries</u>						
4	Calendar Sales	TJ	2,011	1,629	1,652	2,587
5	Excess System Sales	TJ	80	11	10	0
6	Total Recoveries	TJ	2,091	1,640	1,662	2,587
7	Load Balancing / UFG Estimate	TJ	68	(111)	(8)	(14)

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	6,773	7,589	816
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	6,773	7,589	816
<u>Adjustments</u>					
5	Transportation	\$,000	(14)	1	16
6	Procurement	\$,000	26	26	0
7	Bad Debts	\$,000	179	241	62
8	Working Capital	\$,000	36	49	13
9	Credit Charge	\$,000	39	49	10
10	Net Gas Costs	\$,000	7,039	7,955	916
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	7,604	8,217	613
12	Excess System Sales	\$,000	0	304	304
13	Penalty Revenue	\$,000	94	127	33
14	Total Recoveries	\$,000	7,698	8,648	950

* 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	1,875	2,022	148
2	Imbalances	TJ	0	0	0
<hr/>					
3	Total Energy	TJ	1,875	2,022	148
<u>Recoveries</u>					
4	Calendar Sales	TJ	1,861	2,011	150
5	Excess System Sales	TJ	0	80	80
<hr/>					
6	Total Recoveries	TJ	1,861	2,091	229
<hr/>					
7	DGA UFG	TJ	(13)	68	82
8	Degree Days	DD	64	88	24

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	6,755
2		TJ	1,798
3		\$/GJ	3.757
4	Nova Inventory Transfer Supplies	\$,000	833
5		TJ	224
6		\$/GJ	3.713
7	Total Purchases	\$,000	7,588
8		TJ	2,022
9		\$/GJ	3.752

August 25, 2010

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South 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	3,536
2		TJ	980
3		\$/GJ	3.609
4	Total Long Term	\$,000	3,536
5		TJ	980
6		\$/GJ	3.609
7	Short Term (Monthly Index)	\$,000	0
8		TJ	0
9		\$/GJ	0.000
10	Short Term (Daily Index)	\$,000	3,218
11		TJ	818
12		\$/GJ	3.935
13	Total Short Term	\$,000	3,218
14		TJ	818
15		\$/GJ	3.935
16	Total ON-System ATCO Supplies	\$,000	6,755
17		TJ	1,798
18		\$/GJ	3.757

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)	\$,000 541
8		TJ 150
9		\$/GJ 3.608
10	Short Term (Daily Index)	\$,000 292
11		TJ 74
12		\$/GJ 3.925
13	Total Short Term	\$,000 833
14		TJ 224
15		\$/GJ 3.713
16	Total Nova Inventory Transfer Supplies	\$,000 833
17		TJ 224
18		\$/GJ 3.713

August 25, 2010

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	(2)
2	Transportation -- AP FSR	\$,000	4
3	Transportation -- Other	\$,000	0
	Total		1

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 S - 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
1	0	0.0000	0.00	3.7488	0	0.0000	10,000	3.8222	38,222.00	3.8222
2	(2,300)	3.7535	(8,633.05)	3.8319	0	0.0000	0	0.0000	0.00	3.7535
3	(100)	4.0500	(405.00)	4.0630	0	0.0000	0	0.0000	0.00	3.8400
6	(8,100)	4.0915	(33,141.00)	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
11	0	0.0000	0.00	3.8880	0	0.0000	29,000	3.9712	115,164.80	3.9712
12	3,600	3.7900	13,644.00	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
14	2,300	4.0900	9,407.00	4.1232	0	0.0000	0	0.0000	0.00	3.9632
15	1,100	4.1286	4,541.46	4.0795	0	0.0000	0	0.0000	0.00	4.1286
16	6,300	4.0667	25,620.00	3.9721	0	0.0000	0	0.0000	0.00	4.0905
18	(1,000)	3.8864	(3,886.40)	3.8970	(15,000)	3.8600	10,000	3.8864	(19,036.00)	3.8864
19	(10,000)	3.9100	(39,100.00)	3.9377	0	0.0000	0	0.0000	0.00	3.9067
20	(20,000)	3.9013	(78,025.00)	3.9142	0	0.0000	0	0.0000	0.00	3.9379
22	2,200	3.7940	8,346.80	3.9010	0	0.0000	8,000	3.7940	30,352.00	3.7940
23	200	3.9000	780.00	3.8703	0	0.0000	0	0.0000	0.00	3.8929
26	(3,200)	3.6420	(11,654.40)	3.3829	0	0.0000	0	0.0000	0.00	3.6420
27	(7,900)	3.4827	(27,513.00)	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
	(47,100)		(176,949.24)	TOTALS	(15,000)		57,000		164,702.80	

August 25, 2010

Schedule R 10 C S - 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	44,300	3.7851	167,681.46	3.8222
2	0	0.0000	0.00	0.0000	0	0.0000	32,800	3.7126	121,772.80	3.7535
3	0	0.0000	0.00	0.0000	0	0.0000	41,000	3.7991	155,762.50	3.8400
4	0	0.0000	0.00	0.0000	0	0.0000	105,000	4.0282	422,963.25	4.0828
7	0	0.0000	0.00	0.0000	0	0.0000	30,000	4.1246	123,737.50	4.1696
8	1,000	4.0700	4,070.00	0.0000	0	0.0000	40,000	4.1486	165,943.00	4.1967
9	5,000	4.0000	20,000.00	0.0000	0	0.0000	49,000	4.0153	196,748.40	4.0641
10	0	0.0000	0.00	0.0000	0	0.0000	70,700	3.9487	279,176.35	3.9980
11	0	0.0000	0.00	0.0000	0	0.0000	63,300	3.9426	249,567.06	3.9712
14	0	0.0000	0.00	0.0000	0	0.0000	26,100	3.9174	102,243.77	3.9632
15	0	0.0000	0.00	0.0000	0	0.0000	47,900	4.0814	195,496.94	4.1286
16	0	0.0000	0.00	0.0000	0	0.0000	43,500	4.0448	175,946.75	4.0905
17	0	0.0000	0.00	0.0000	0	0.0000	48,800	3.9373	192,142.09	3.9843
18	0	0.0000	0.00	0.0000	0	0.0000	105,000	3.8394	403,138.50	3.8864
21	0	0.0000	0.00	0.0000	0	0.0000	7,500	3.8601	28,950.75	3.9051
23	0	0.0000	0.00	0.0000	0	0.0000	9,000	3.8454	34,608.60	3.8929
24	0	0.0000	0.00	0.0000	0	0.0000	7,000	3.8179	26,725.30	3.8679
25	0	0.0000	0.00	0.0000	0	0.0000	30,000	3.7808	113,425.50	3.8425
30	0	0.0000	0.00	0.0000	0	0.0000	11,000	3.4863	38,349.30	3.5538
	6,000		24,070.00	TOTALS	0		811,900		3,194,379.82	

Schedule R 10 I S - 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>
263586	06/01/2010	06/30/2010	556	3.786	2,105
180946	06/01/2010	06/30/2010	338	3.475	1,175
180893	06/01/2010	06/30/2010	975,000	3.608	3,517,313
536832	06/01/2010	06/30/2010	4,050	3.840	15,550
Total Long Term Indexed			979,944	3.609	3,536,142

Schedule R 10 J S - 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	150,000	3.608	541,125
Total Short Term(Monthly Index)			150,000	3.608	541,125

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	1,147
2	AECO Daily Index	TJ	1,452
3	Other	TJ	2
	Total	TJ	2,601

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 \$3.730/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	(1,384)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 11, Column E	8,068
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	9,452
6	Forecast Monthly Sales	TJ	Schedule M-2, Line 5, Column D	2,587
7	GCFR	\$/GJ	Line 5 divided by Line 6	3.654
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	3.730

SPECIAL NOTES

