

April 26, 2010

Alberta Utilities Commission
10th Floor, 10055 – 106 St.
Edmonton, Alberta T5J 2Y2

Attention: Mike Hagan
Executive Director, Rates
Edmonton Office

Dear Mr. Hagan:

Re: Direct Energy Regulated Services Rider “F” Rates for ATCO Gas South Service Territory for May 2010

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) a proposed Rider “F” of \$3.062 per GJ for the month of May 2010 for the service territory of ATCO Gas South.

In compliance with the Alberta Utilities Commission directive on page 3 of Order 2008-374, DERS has added the approved margin to the GCFR to formulate Rider “F”. The DGA package used to derive a GCFR rate of \$3.039 per GJ is attached.

Additional price and weather data relating to the March 2010 and April 2010 periods as well as some explanatory notes relating to prior period adjustments are included in Appendix B. Also, Attachment 1-ATCO Gas Imbalance Sale and Purchase and Attachment 2-ATCO Gas TBF Invoice are included to explain variation in the actual excess system sales for February 2010 stated in the M1, M2, R1 and R2 schedules with the rest of the R-schedules. Lastly, Attachment 3-Detailed Schedule R 10 A S is included.

In Commission Directive 12 from Decision 2009-238, DERS was directed to propose in its compliance filing, “how it will include the energy related costs for the DRT that were previously subject to deferral (those being credit charges, working capital, bad debt and penalty revenue) in its future monthly Gas Cost Flow-through Rate filings.”

To be consistent with the treatment DERS proposed in its 2009-2011 DRT and RRT Compliance Filing, DERS has used as placeholders, the same values for credit charges, working capital, bad debt and penalty revenue that appeared in the January 2010 GCFR filings. DERS has also ceased to include in the Deferred Gas Account, the actual amounts relating to 2010 energy related costs, similar to how procurement costs are treated.

As such, the Commission should be aware that the values reported for credit charges on line 10, in columns D and E of Schedule M-1 are placeholders and therefore do not correspond to the values reported in Schedule C-1.

For a fulsome discussion of DERS' proposal to recover energy related costs through its monthly GCFR filings, the Commission is referred to DERS' compliance filing Application No. 1605840.

Should you require additional information please contact the undersigned at 403-290-7744.

Yours truly,

<Original signed by A. Preston>

Ashley Preston
Analyst, Government & Regulatory Affairs, Canada West
Direct Energy Marketing Limited
*Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited*

**DIRECT ENERGY REGULATED SERVICES
Rider "F"
ATCO GAS SOUTH SERVICE TERRITORY**

To be applied to all energy sold to customers served under Rates G1, G3 and G5.

Rider "F":

For customers served by ATCO Gas and Pipelines South:

For the Period May 1, 2010 to May 31, 2010

\$3.062 per GJ