

**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 GCFR of **\$7.634/GJ** for Direct Energy Regulated Services (DERS) gas customers for April 2007.

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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 March 26, 2007.

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 April 30, 2007, a GCFR of **\$7.634/GJ** should be implemented for DERS Gas Customers on April 01, 2007.

**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 Jan-07	Estimate Feb-07	Estimate Mar-07	Forecast Apr-07
1	Opening Cumulative DGA Balance	\$,000	(5,016)	(5,039)	(1,253)	(15,347)	(3,154)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	(15)	71,369	79,043	48,689	37,233
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	1	(2,952)	5	(17)	0
6	<b>Total Gas Supply Costs</b>	\$,000	(14)	68,417	79,049	48,672	37,233
<b><u>Adjustments</u></b>							
7	Transportation	\$,000	0	61	56	58	74
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	0	28	28	28	28
10	Bad Debts	\$,000	0	128	128	127	138
11	DGA Balance	\$,000	0	15	15	15	17
12	Credit Charge	\$,000	0	50	53	49	36
13	<b>Net Gas Costs</b>	\$,000	(14)	68,699	79,330	48,949	37,525
<b><u>Recoveries</u></b>							
14	Calendar Sales	\$,000	24	70,990	63,396	60,139	40,562
15	Transportation Imbalance Sales	\$,000	0	1	0	0	0
16	Excess System Sales	\$,000	0	1,385	1,732	895	0
17	Penalty Revenue	\$,000	(60)	109	109	108	117
18	<b>Total Recoveries</b>	\$,000	(36)	72,485	65,236	61,142	40,679
19	Current DGA Balance	\$,000	(23)	3,786	(14,094)	12,192	3,154
20	<b>Closing Cumulative DGA Balance</b>	\$,000	(5,039)	(1,253)	(15,347)	(3,154)	0

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

Line	Description	Units	A Actual Jan-07	B Estimate Feb-07	C Estimate Mar-07	D Forecast Apr-07
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	10,550	10,735	6,724	5,343
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(432)	0	0	0
4	<b>Total Energy</b>	TJ	<b>10,119</b>	<b>10,735</b>	<b>6,724</b>	<b>5,343</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	<b>Net Energy</b>	TJ	<b>10,119</b>	<b>10,735</b>	<b>6,724</b>	<b>5,343</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	9,624	9,466	6,558	5,313
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	218	232	130	0
10	<b>Total Recoveries</b>	TJ	<b>9,842</b>	<b>9,698</b>	<b>6,688</b>	<b>5,313</b>
11	<b>DGA UFG</b>	TJ	<b>(277)</b>	<b>(1,037)</b>	<b>(36)</b>	<b>(30)</b>

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for January 2007.

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-1 shows the forecast and actual DGA cost and recovery components for January 2007 as of December 21, 2006 and March 26, 2007 respectively.

**SCHEDULE R-1**  
**FORECAST & ACTUAL DGA COSTS AND RECOVERIES**

**January 2007**

Line	Description	Units	Forecast Dec 21, 2006	Actual March 26, 2007	Actual less Forecast
	<b><u>Gas Supply Costs</u></b>				
1	Purchases	\$,000	76,292	71,369	(4,923)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(2,952)	(2,952)
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>76,292</b>	<b>68,417</b>	<b>(7,875)</b>
	<b><u>Adjustments</u></b>				
6	Transportation	\$,000	82	61	(21)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement	\$,000	28	28	0
9	Gas Supply - Related Bad Debts	\$,000	124	128	4
10	DGA Balance	\$,000	15	15	0
11	Credit Charge	\$,000	54	50	(5)
12	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>76,596</b>	<b>68,699</b>	<b>(7,897)</b>
	<b><u>Recoveries</u></b>				
13	Calendar Sales	\$,000	78,779	70,990	(7,789)
14	Transportation Imbalance Sales	\$,000	0	1	1
15	Excess System Sales	\$,000	0	1,385	1,385
16	Penalty Revenue	\$,000	105	109	4
17	<b>Total Recoveries</b>	<b>\$,000</b>	<b>78,884</b>	<b>72,485</b>	<b>(6,400)</b>

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-2 shows the forecast and actual DGA energy balance for January 2007 as of December 21, 2006 and March 26, 2007. It also shows the normal and actual degree days for January 2007.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**January 2007**

Line	Description	Units	Forecast Dec 21, 2006	Actual March 26, 2007	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	10,750	10,550	(200)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(432)	(432)
<hr/>					
4	<b>Total Energy</b>	TJ	<b>10,750</b>	<b>10,119</b>	<b>(631)</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	<b>Net Energy</b>	TJ	<b>10,750</b>	<b>10,119</b>	<b>(631)</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	10,681	9,624	(1,057)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	218	218
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>10,681</b>	<b>9,842</b>	<b>(838)</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(69)</b>	<b>(277)</b>	<b>(207)</b>
12	Degree Days	DD	718	599	(119)

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-3 shows the actual DGA purchase gas components for January 2007 as of March 26, 2007.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**January 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual March 26, 2007</b>
1	ON-System ATCO Supplies	\$,000	19,384
2		TJ	2,809
3		\$/GJ	6.900
4	Nova Inventory Transfer Supplies	\$,000	51,980
5		TJ	7,741
6		\$/GJ	6.715
7	Total Purchases	\$,000	71,364
8		TJ	10,550
9		\$/GJ	6.764

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for January 2007 as of March 26, 2007.

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

	<b>January 2007</b>	<b>Actual March 26, 2007</b>	
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	11,115
2		TJ	1,607
3		\$/GJ	6.916
4	Total Long Term	\$,000	11,115
5		TJ	1,607
6		\$/GJ	6.916
7	Short Term (Monthly Index)	\$,000	6,896
8		TJ	992
9		\$/GJ	6.952
10	Short Term (Daily Index)	\$,000	1,373
11		TJ	210
12		\$/GJ	6.537
13	Total Short Term	\$,000	8,269
14		TJ	1,202
15		\$/GJ	6.879
16	Total ON-System ATCO Supplies	\$,000	19,384
17		TJ	2,809
18		\$/GJ	6.900

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**SECTION 5**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for January 2007 as of March 26, 2007.

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

		January 2007	Actual March 26, 2007
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	23,629
8		TJ	3,440
9		\$/GJ	6.869
10	Short Term (Daily Index)	\$,000	28,351
11		TJ	4,301
12		\$/GJ	6.592
13	Total Short Term	\$,000	51,980
14		TJ	7,741
15		\$/GJ	6.715
16	Total Nova Inventory Transfer Supplies	\$,000	51,980
17		TJ	7,741
18		\$/GJ	6.715

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-6 shows the forecast and actual unit gas prices for January 2007 as of December 21, 2006 and March 26, 2007 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**January 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast December 21, 2006</b>	<b>Actual March 26, 2007</b>	<b>Actual less Forecast</b>
1	AECO Monthly Index	\$/GJ	7.2738	6.9162	(0.3576)
2	AECO Daily INDEX	\$/GJ	6.9324	6.5725	(0.3599)

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including December 20, 2006 on the AECO/NGX Intra-Alberta January (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 December 31, 2006 on the AECO/NGX Intra-Alberta January (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the January, AECO/NGX Intra-Alberta Settlement prices on December 14, 15, 18, 19 & 20 2006.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in January, 2007 as reported by NGX and includes all weekend deals.

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-7 shows the actual contract storage and transportation costs for January 2007 as of March 26, 2007.

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**  
**January 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual March 26, 2007</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	58
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		61

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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 S - Actual Spot Gas Purchases by Trade Day**

**January 2007**

**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	(22,000)	5.5973	(123,140.00)	5.6133	0	0.0000	0	0.0000	0.00	5.6159
2	15,000	6.0847	91,270.00	5.9958	(25,000)	5.8500	0	0.0000	(146,250.00)	5.6659
3	12,000	6.0400	72,480.00	6.1859	0	0.0000	0	0.0000	0.00	6.0400
4	40,000	6.0407	241,628.00	5.8544	97,000	6.1753	10,000	6.1665	660,665.00	6.1765
5	60,000	5.8098	348,585.00	5.7937	85,000	6.0771	0	0.0000	516,550.00	5.6989
6	42,700	5.8662	250,485.00	5.8637	48,000	5.9508	0	0.0000	285,640.00	5.8050
8	35,000	6.2931	220,258.50	6.4121	35,000	6.3029	0	0.0000	220,600.00	6.2931
9	12,000	6.6046	79,255.00	6.6008	50,000	6.4507	0	0.0000	322,535.00	6.4381
10	92,000	6.5393	601,611.60	6.4797	148,100	6.6383	5,000	6.6328	1,016,300.00	6.6328
11	86,000	6.4290	552,890.00	6.4222	91,600	6.5240	0	0.0000	597,600.00	6.5103
12	0	0.0000	0.00	6.2670	102,000	6.4014	0	0.0000	652,940.00	6.4071
13	100,000	6.3383	633,830.00	6.3631	(55,000)	6.2982	0	0.0000	(346,400.00)	6.2795
14	25,000	6.3816	159,540.00	6.3786	0	0.0000	0	0.0000	0.00	6.3816
15	44,000	6.6022	290,495.00	6.5953	25,000	6.3690	20,000	6.3857	286,939.00	6.3857
16	(34,800)	6.4312	(223,807.00)	6.4247	72,200	6.5822	15,000	6.5834	573,986.00	6.5809
17	14,000	6.4422	90,190.80	6.1478	71,900	6.4530	0	0.0000	463,969.00	6.4422
18	15,000	6.1822	92,733.00	6.4464	64,800	6.2200	12,000	6.1822	477,240.40	6.1822
19	(33,000)	6.5515	(216,200.00)	6.9441	0	0.0000	30,000	6.4243	192,729.00	6.5094
20	0	0.0000	0.00	7.0298	0	0.0000	100,000	7.0312	703,120.00	6.9529
21	0	0.0000	0.00	7.0122	(10,000)	7.1025	0	0.0000	(71,025.00)	7.0595
22	27,000	7.2239	195,045.00	7.2229	0	0.0000	0	0.0000	0.00	6.9997
23	0	0.0000	0.00	7.1862	30,000	7.2333	12,800	7.2392	309,661.32	7.2344
24	(17,000)	6.8894	(117,120.00)	6.7969	0	0.0000	0	0.0000	0.00	7.2248
25	(10,000)	6.8050	(68,050.00)	6.8007	35,000	6.8574	9,000	6.9099	302,199.10	6.9099
26	4,000	6.8625	27,450.00	7.1227	60,000	6.8500	45,000	6.8911	721,099.50	6.8625
27	25,000	7.1640	179,100.00	7.1286	0	0.0000	0	0.0000	0.00	7.1352

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<b>28</b>	15,000	7.2263	108,395.00	7.1797	16,000	7.0875	0	0.0000	113,400.00	7.0978
<b>29</b>	100,000	7.0771	707,711.00	7.0995	0	0.0000	0	0.0000	0.00	7.1632
<b>30</b>	105,000	7.6024	798,250.00	7.5697	15,000	7.3700	20,000	7.1853	254,256.00	7.1828
<b>31</b>	27,500	7.5840	208,560.00	7.4986	97,000	7.6008	0	0.0000	737,280.00	7.5840
	779,400		5,201,445.90	<b>TOTALS</b>	1,053,600		278,800		8,845,034.32	

**Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day**

**January 2007**

**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	7,300	5.6890	41,529.70	5.6159
3	0	0.0000	0.00	0.0000	0	0.0000	18,500	6.0600	112,110.00	6.0400
4	0	0.0000	0.00	0.0000	0	0.0000	5,000	6.2052	31,026.25	6.1765
5	0	0.0000	0.00	0.0000	0	0.0000	15,600	5.9685	93,108.60	5.6989
8	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.3208	145,378.80	6.2931
9	0	0.0000	0.00	0.0000	0	0.0000	11,000	6.4658	71,124.10	6.4381
10	0	0.0000	0.00	0.0000	0	0.0000	6,500	6.6628	43,308.20	6.6328
11	0	0.0000	0.00	0.0000	0	0.0000	14,000	6.5403	91,564.20	6.5103
12	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.4204	105,936.60	6.4071
15	0	0.0000	0.00	0.0000	0	0.0000	24,000	6.4152	153,964.30	6.3857
16	(5,200)	6.4500	(33,540.00)	0.0000	0	0.0000	3,100	6.6149	20,506.29	6.5809
17	0	0.0000	0.00	0.0000	0	0.0000	11,000	6.4722	71,194.20	6.4422
18	0	0.0000	0.00	0.0000	0	0.0000	1,500	6.2147	9,322.05	6.1822
23	0	0.0000	0.00	0.0000	0	0.0000	3,000	7.2729	21,818.70	7.2344
25	(1,000)	6.8200	(6,820.00)	0.0000	0	0.0000	0	0.0000	0.00	6.9099
26	0	0.0000	0.00	0.0000	0	0.0000	13,500	6.9167	93,374.85	6.8625
29	0	0.0000	0.00	0.0000	0	0.0000	18,500	7.1946	133,099.20	7.1632
30	0	0.0000	0.00	0.0000	0	0.0000	7,000	7.2128	50,489.60	7.1828
31	0	0.0000	0.00	0.0000	0	0.0000	11,000	7.6240	83,864.00	7.5840
	(6,200)		(40,360.00)	<b>TOTALS</b>	0		210,000		1,372,719.64	

**Schedule R 10 G S - Actual Spot Gas Purchases by Delivery Day**

**January 2007**

**PEAKING Demand Supply Contracts**

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)		AECO Daily
	GJ's	Avg. Cost \$/GJ	Total Cost \$	Index \$/GJ
1	100,000	5.7040	570,400	5.6159
2	0	0.0000	0	5.6659
5	150,000	5.9635	894,525	5.6989
8	40,000	6.3181	252,724	6.2931
9	500,000	6.4991	3,249,535	6.4381
10	50,000	6.6828	334,140	6.6328
11	75,000	6.5626	492,198	6.5103
12	87,500	6.4435	563,806	6.4071
13	125,000	6.4214	802,675	6.2795
15	50,000	6.4107	320,535	6.3857
16	50,000	6.6059	330,295	6.5809
17	50,000	6.4672	323,360	6.4422
18	200,000	6.3888	1,277,756	6.1822
19	150,000	6.8656	1,029,840	6.5094
22	0	0.0000	0	6.9997
26	150,000	6.9161	1,037,415	6.8625
29	150,000	7.3350	1,100,250	7.1632
31	50,000	7.6090	380,450	7.5840
<b>TOTALS</b>	1,977,500		12,959,904	

Schedule R 10 I S - Long Term & Short Term Purchases  
January 2007

**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>
180893	01/01/2007	01/31/2007	1,596,500	6.916	11,041,713
180946	01/01/2007	01/31/2007	1,222	6.791	8,299
185436	01/01/2007	01/31/2007	7,902	6.883	54,387
263586	01/01/2007	01/31/2007	1,466	7.048	10,333
<b>Total Long Term Indexed</b>			<b>1,607,090</b>	<b>6.916</b>	<b>11,114,732</b>
276440	01/01/2007	01/31/2007	155,000	6.946	1,076,661
276639	01/01/2007	01/31/2007	155,000	6.946	1,076,661
280962	01/01/2007	01/31/2007	310,000	6.946	2,153,322
295703	01/01/2007	01/31/2007	372,000	6.961	2,589,566
<b>Total Short Term(Monthly Index)</b>			<b>992,000</b>	<b>6.952</b>	<b>6,896,210</b>

March 26, 2007

Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases  
January 2007

**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>
293297	01/01/2007	01/31/2007	620,000	6.924	4,292,694
295108	01/01/2007	01/31/2007	620,000	6.926	4,294,244
295463	01/01/2007	01/31/2007	960,000	6.723	6,453,601
295591	01/01/2007	01/31/2007	1,240,000	6.926	8,588,488
<b>Total Short Term(Monthly Index)</b>			<b>3,440,000</b>	<b>6.869</b>	<b>23,629,027</b>

**SECTION 3**  
**FORECAST MONTH SCHEDULES**

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This section provides details of the Deferred Gas Account (DGA) components for April 2007.

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 April 2007.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for April 2007.

Schedule F-1 shows the forecast of gas purchases for April 2007 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**  
**April 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast March 26, 2007</b>
1	AECO Monthly Index	TJ	2,042
2	AECO Daily Index	TJ	3,289
3	Other	TJ	12
	Total	TJ	5,343

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March 26, 2007

Schedule F-2 shows the forecast of the unit gas prices for April 2007.

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**April 2007**

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast March 26, 2007</b>
1	AECO Monthly Index	\$/GJ	6.9707
2	AECO Daily Index (1)	\$/GJ	6.9662

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including March 23, 2007 on the AECO/NGX Intra-Alberta April (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the April, AECO/NGX Intra-Alberta Settlement prices on March 19, 20, 21, 22 & 23, 2007.

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In order to zero the forecast balance of the DGA on April 30, 2007, a GCFR of \$7.634/GJ should be implemented on April 01, 2007. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3**  
**GAS COST FLOW THROUGH RATE DERIVATION**

**April 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Reference</b>	<b>Value</b>
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(3,154)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	37,525
3	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 15, Column E	0
4	Excess System Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
5	Penalty Revenue Estimate	\$,000	Schedule M-1, Line 17, Column E	117
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	40,562
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	5,313
8	GCFR	\$/GJ	Line 6 divided by Line 7	7.634

**SPECIAL NOTES**

**SCHEDULE C - 1  
COST OF CREDIT SUPPORT**

<b>LEGEND:</b>	bp	Basis points (100 bp = 1%)
	LC	Letter of credit
	PCG	Parental company guarantee

**March 26, 2007**

Supply Sources	Security Type	Credit Charge (bp)	December Payable	January Payable	February Payable	March Payable	April Payable	Actual Jan-07	Estimate Feb-07	Estimate Mar-07	Forecast Apr-07
<b>(SOUTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
ATCO	PCG	40.0	75,794	54,387	58,178	69,722	0	13	34	37	24
Canetic Resources Inc.	N/A		12,005	10,333	9,407	7,496	0				
Enerplus Resources Corporation	N/A		9,427	8,299	7,660	7,014	0				
Shell Canada Limited	PCG	40.0	12,003,924	11,041,713	9,895,581	11,852,576	0	7,103	6,462	6,284	4,027
Forecast (with credit support)	PCG	40.0	0	0	0	0	8,720,346	0	0	0	2,389
Forecast (without credit support)			0	0	0	0	83,648				
<b>Sub Total</b>			12,101,150	11,114,732	9,970,826	11,936,808	8,803,994	7,116	6,496	6,321	6,440
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	1,750,857	0	0	0	0	595	0	0	0
Counterparty 2	PCG	40.0	4,666,368	0	0	0	0	1,585	0	0	0
Counterparty 3	PCG	40.0	145,910	0	116,638	0	0	50	32	36	0
Counterparty 4	PCG	40.0	3,565,717	9,191,432	13,462,692	4,450,097	0	3,730	6,811	5,350	1,512
Counterparty 5	PCG	40.0	1,361,553	1,210,227	1,053,538	1,155,386	0	794	700	640	393
Counterparty 6	N/A		1,755,330	1,139,342	(798,821)	644,000	0				
Counterparty 7	PCG	40.0	4,267,639	7,222,287	13,220,529	2,473,902	0	3,429	6,076	4,734	840
Counterparty 8	PCG	40.0	273,207	124,768	270,656	214,788	0	127	117	142	73
Counterparty 9	PCG	40.0	4,914,634	5,163,332	4,880,285	3,612,324	0	3,084	3,091	2,487	1,227
Counterparty 10	PCG	40.0	4,666,368	0	0	0	0	1,585	0	0	0
Counterparty 11	PCG	40.0	0	19,720	0	0	0	5	7	0	0
Counterparty 12	PCG	40.0	807,685	571,081	1,482,703	1,555,271	0	431	600	881	528
Counterparty 13	PCG	40.0	4,666,368	4,490,819	1,583,875	386,800	0	2,816	1,960	592	131
Counterparty 14	PCG	40.0	0	393,950	634,550	578,950	0	108	308	353	197
Counterparty 15	PCG	40.0	7,112,543	19,344,713	20,502,992	11,983,922	0	7,716	12,189	9,575	4,071
Counterparty 99	PCG	40.0	0	0	0	6,256,272	0	0	0	1,714	2,125
Forecast (with credit support)	PCG	40.0	0	0	0	0	21,554,803	0	0	0	5,905
<b>Sub Total</b>			39,954,179	48,871,671	56,409,637	33,311,712	21,554,803	26,055	31,891	26,504	17,002
<b>Natural Gas Exchange</b>											
Forecast	N/A		10,383,046	9,992,310	10,929,075	2,546,015	0				
<b>Sub Total</b>			10,383,046	9,992,310	10,929,075	2,546,015	6,873,779				
<b>Required LC</b>											
Required LC	L/C	37.5	40,000,000	25,000,000	25,000,000	25,000,000	20,000,000	7,962	7,192	7,962	6,164
PCG to Bank to Support LC	PCG	40.0	40,000,000	25,000,000	25,000,000	25,000,000	20,000,000	8,493	7,671	8,493	6,575
<b>Sub Total</b>								16,455	14,863	16,455	12,739
<b>TOTAL</b>			62,438,375	69,978,713	77,309,538	47,794,535	37,232,576	49,626	53,250	49,280	36,181

Footnote:  
 \*Natural Gas Exchange numbers include only the costs associated with the purchase and sale of natural gas. It does not include any NGX fees.  
 \*\* The Natural Gas Exchange credit charge is based upon the full amount of the letter of credit and supporting parental guarantee. The parental guarantee charges for all other counterparties must cover approximately 55 days of credit exposure.

March 26, 2007

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March 26, 2007

**DIRECT ENERGY REGULATED SERVICES SOUTH DGA**

**April 2007**