

November 24, 2006

Alberta Energy and Utilities Board
10th Floor, 10055 – 106 St.
Edmonton, Alberta T5J 2Y2

**Attention: Becky Torrance
Manager, Edmonton Office
Utilities Branch**

Dear Ms. Torrance:

**Re: Direct Energy Regulated Services Gas Cost Flow-through Rates for ATCO
Gas South Service Territory for December 2006**

Direct Energy Regulated Services (DERS) is filing with the Alberta Energy and Utilities Board (Board or EUB) a proposed Gas Cost Flow-through Rate (GCFR) for the month of December 2006 for the service territory of ATCO Gas South. The GCFR Rate Schedule attached indicates a rate applicable for ATCO Gas South customers of \$8.231 per GJ.

Additional price and weather data relating to the October and November 2006 period as well as some explanatory notes relating to the prior period adjustments and other items have been included in the attached document titled Appendix B - South. Detailed reconciliation schedules have not provided as there were no trading days that included both a purchase and sale transaction. As noted in Appendix B – South, DERS has included a credit of (\$580,893) in the December GCFR filing that DERS received from ATCO Pipelines and ATCO Gas as per Decision 2006-095.

Should you require additional information please contact the undersigned at 403-290-4635.

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki
Manager, Government & Regulatory Affairs, Western Region
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*Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited*

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Approved by Decision 2003-106
Effective December 1, 2006
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**DIRECT ENERGY REGULATED SERVICES
Rider "F" GAS COST FLOW-THROUGH
ATCO GAS SOUTH SERVICE TERRITORY**

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

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period December 1, 2006 to December 31, 2006 **\$8.231 per GJ**