

**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 **\$6.697/GJ** for Direct Energy Regulated Services (DERS) gas customers for February 2007.

**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: Gas Cost Flow Through 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 January 25, 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 February 28, 2007, a GCFR of **\$6.697/GJ** should be implemented for DERS Gas Customers on February 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 Nov-06	Estimate Dec-06	Estimate Jan-07	Forecast Feb-07
1	Opening Cumulative DGA Balance	\$,000	(4,907)	(4,877)	(10,746)	(4,315)	1,473
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	(1)	72,356	62,735	71,872	61,290
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(16)	(576)	(2)	2	0
6	<b>Total Gas Supply Costs</b>	\$,000	(17)	71,780	62,732	71,875	61,290
<b><u>Adjustments</u></b>							
7	Transportation	\$,000	0	50	42	82	66
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	0	28	28	28	28
10	Bad Debts	\$,000	0	124	125	124	128
11	DGA Balance	\$,000	0	15	15	15	15
12	Credit Charge	\$,000	0	39	60	51	50
13	<b>Net Gas Costs</b>	\$,000	(17)	72,037	63,004	72,174	61,578
<b><u>Recoveries</u></b>							
14	Calendar Sales	\$,000	26	65,052	69,035	76,664	59,996
15	Transportation Imbalance Sales	\$,000	(13)	59	0	0	0
16	Excess System Sales	\$,000	0	951	294	1,193	0
17	Penalty Revenue	\$,000	0	106	107	105	109
18	<b>Total Recoveries</b>	\$,000	13	66,168	69,436	77,962	60,105
19	Current DGA Balance	\$,000	30	(5,869)	6,432	5,788	(1,473)
20	<b>Closing Cumulative DGA Balance</b>	\$,000	(4,877)	(10,746)	(4,315)	1,473	0

January 25, 2007

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

Line	Description	Units	A Actual Nov-06	B Estimate Dec-06	C Estimate Jan-07	D Forecast Feb-07
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	10,097	8,653	10,648	9,012
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(58)	0	0	0
4	<b>Total Energy</b>	TJ	<b>10,039</b>	<b>8,653</b>	<b>10,648</b>	<b>9,012</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	<b>Net Energy</b>	TJ	<b>10,039</b>	<b>8,653</b>	<b>10,648</b>	<b>9,012</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	9,601	8,387	10,394	8,959
8	Transportation Imbalance Sales	TJ	6	0	0	0
9	Excess System Sales	TJ	133	51	190	0
10	<b>Total Recoveries</b>	TJ	<b>9,740</b>	<b>8,438</b>	<b>10,584</b>	<b>8,959</b>
11	<b>DGA UFG</b>	TJ	(299)	(215)	(65)	(54)

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for November 2006.

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

Schedule R-1 shows the forecast and actual DGA cost and recovery components for November 2006 as of October 25, 2006 and January 25, 2007 respectively.

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

**November 2006**

Line	Description	Units	Forecast October 25, 2006	Actual January 25, 2007	Actual less Forecast
	<b><u>Gas Supply Costs</u></b>				
1	Purchases	\$,000	53,494	72,356	18,862
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(576)	(576)
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>53,494</b>	<b>71,780</b>	<b>18,286</b>
	<b><u>Adjustments</u></b>				
6	Transportation	\$,000	58	50	(8)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement and Portfolio Management	\$,000	28	28	0
9	Bad Debts	\$,000	126	124	(2)
10	DGA Balance	\$,000	15	15	0
11	Credit Charge	\$,000	34	39	6
12	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>53,756</b>	<b>72,037</b>	<b>18,281</b>
	<b><u>Recoveries</u></b>				
13	Calendar Sales	\$,000	54,041	65,052	11,011
14	Transportation Imbalance Sales	\$,000	0	59	59
15	Excess System Sales	\$,000	0	951	951
16	Penalty Revenue	\$,000	107	106	(2)
17	<b>Total Recoveries</b>	<b>\$,000</b>	<b>54,148</b>	<b>66,168</b>	<b>12,020</b>

January 25, 2007

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

Schedule R-2 shows the forecast and actual DGA energy balance for November 2006 as of October 25, 2006 and January 25, 2007. It also shows the normal and actual degree days for November 2006.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**November 2006**

Line	Description	Units	Forecast October 25, 2006	Actual January 25, 2007	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	8,031	10,097	2,066
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(58)	(58)
<hr/>					
4	<b>Total Energy</b>	TJ	<b>8,031</b>	<b>10,039</b>	<b>2,008</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	<b>Net Energy</b>	TJ	<b>8,031</b>	<b>10,039</b>	<b>2,008</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	7,977	9,601	1,624
8	Transportation Imbalance Sales	TJ	0	6	6
9	Excess System Sales	TJ	0	133	133
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>7,977</b>	<b>9,740</b>	<b>1,763</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(54)</b>	<b>(299)</b>	<b>(245)</b>
12	Degree Days	DD	525	652	127

January 25, 2007

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

---

Schedule R-3 shows the actual DGA purchase gas components for November 2006 as of January 25, 2007.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**November 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual January 25, 2007</b>
1	ON-System ATCO Supplies	\$,000	23,028
2		TJ	3,279
3		\$/GJ	7.023
4	Nova Inventory Transfer Supplies	\$,000	49,289
5		TJ	6,812
6		\$/GJ	7.236
7	Total Purchases	\$,000	72,317
8		TJ	10,091
9		\$/GJ	7.167

---

January 25, 2007

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

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for November 2006 as of January 25, 2007.

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

	<b>November 2006</b>	<b>Actual January 25, 2007</b>	
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	11,347
2		TJ	1,555
3		\$/GJ	7.298
4	Total Long Term	\$,000	11,347
5		TJ	1,555
6		\$/GJ	7.298
7	Short Term (Monthly Index)	\$,000	6,715
8		TJ	1,050
9		\$/GJ	6.395
10	Short Term (Daily Index)	\$,000	4,966
11		TJ	674
12		\$/GJ	7.368
13	Total Short Term	\$,000	11,681
14		TJ	1,724
15		\$/GJ	6.775
16	Total ON-System ATCO Supplies	\$,000	23,028
17		TJ	3,279
18		\$/GJ	7.023

January 25, 2007

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

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for November 2006 as of January 25, 2007.

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

	<b>November 2006</b>	<b>Actual January 25, 2007</b>
<b>Line</b>	<b>Description</b>	<b>Units</b>
1	Long Term Indexed	\$,000
2		TJ
3		\$/GJ
4	Total Long Term	\$,000
5		TJ
6		\$/GJ
7	Short Term (Monthly Index)	\$,000
8		TJ
9		\$/GJ
10	Short Term (Daily Index)	\$,000
11		TJ
12		\$/GJ
13	Total Short Term	\$,000
14		TJ
15		\$/GJ
16	Total Nova Inventory Transfer Supplies	\$,000
17		TJ
18		\$/GJ

January 25, 2007

Schedule R-6 shows the forecast and actual unit gas prices for November 2006 as of October 25, 2006 and January 25, 2007 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**November 2006**

Line	Description	Units	Forecast October 25, 2006	Actual January 25, 2007	Actual less Forecast
1	AECO Monthly Index	\$/GJ	6.1104	6.3643	0.2539
2	AECO Daily INDEX	\$/GJ	6.9062	7.3803	0.4741

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including [October 24, 2006](#) on the AECO/NGX Intra-Alberta November (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 October 31, 2006 on the AECO/NGX Intra-Alberta November (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the November, AECO/NGX Intra-Alberta Settlement prices on [October 18, 19, 20, 23, & 24, 2006](#).
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in November, 2006 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 November 2006 as of January 25, 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**  
**November 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual January 25, 2007</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	48
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		50

---

January 25, 2007

**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**

**November 2006**

**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	7.0656	40,000	7.0800	15,000	7.0768	389,352.00	7.0743
2	0	0.0000	0.00	7.2524	47,000	7.0694	0	0.0000	332,260.00	7.0858
3	0	0.0000	0.00	7.3967	135,000	7.2907	45,000	7.2056	1,308,502.00	7.2506
5	(15,000)	7.0352	(105,528.00)	6.7235	0	0.0000	0	0.0000	0.00	7.0352
6	53,000	6.7325	356,820.00	6.7471	0	0.0000	0	0.0000	0.00	6.7576
8	(23,600)	7.0829	(167,156.00)	7.1171	0	0.0000	0	0.0000	0.00	7.1017
9	9,600	7.1860	68,985.60	7.1703	0	0.0000	40,000	7.2110	288,440.00	7.1860
10	0	0.0000	0.00	7.1536	45,000	7.0467	300,000	7.1232	2,454,060.00	7.1164
12	(27,000)	7.1572	(193,245.00)	7.1770	0	0.0000	0	0.0000	0.00	7.2375
13	(10,000)	7.3560	(73,560.00)	7.3686	35,000	7.2257	0	0.0000	252,900.00	7.1962
14	3,000	7.4650	22,395.00	7.5207	43,000	7.3610	0	0.0000	316,525.00	7.3966
15	0	0.0000	0.00	7.4784	30,000	7.4108	0	0.0000	222,325.00	7.4602
16	(13,000)	7.3915	(96,090.00)	7.3769	35,000	7.5157	0	0.0000	263,050.00	7.4504
17	25,000	7.2446	181,115.00	7.2445	15,000	7.3050	15,000	7.3416	219,699.00	7.3593
19	(23,000)	7.1246	(163,865.00)	7.2687	0	0.0000	0	0.0000	0.00	7.1945
21	0	0.0000	0.00	7.5407	24,000	7.4758	0	0.0000	179,420.00	7.4934
22	50,000	7.5296	376,480.00	7.4441	65,000	7.4554	0	0.0000	484,600.00	7.4462
23	0	0.0000	0.00	7.1539	44,000	7.2817	0	0.0000	320,395.00	7.3075
24	20,000	7.4988	149,975.00	7.4707	0	0.0000	0	0.0000	0.00	7.1116
25	31,500	8.2143	258,750.00	8.1796	70,000	7.5521	0	0.0000	528,650.00	7.5386
26	37,000	8.1851	302,850.00	7.9166	110,000	7.6555	0	0.0000	842,100.00	7.6638
27	107,500	7.8921	848,396.00	7.8825	120,500	7.7276	0	0.0000	931,170.00	7.7284
28	0	0.0000	0.00	7.9265	105,000	7.8933	0	0.0000	828,800.00	7.8792
29	55,000	8.2565	454,110.00	8.2999	30,000	7.9200	0	0.0000	237,600.00	7.9707
30	40,000	8.1075	324,300.00	8.0535	31,700	8.2421	0	0.0000	261,275.00	8.2689
	320,000		2,544,732.60	<b>TOTALS</b>	1,025,200		415,000		10,661,123.00	

January 25, 2007

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

**November 2006**

**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	(6,000)	7.1000	(42,600.00)	0.0000	0	0.0000	21,000	7.0914	148,920.30	7.0743
2	0	0.0000	0.00	0.0000	0	0.0000	19,500	7.1164	138,770.60	7.0858
3	0	0.0000	0.00	0.0000	0	0.0000	66,000	7.2329	477,369.60	7.2506
7	0	0.0000	0.00	0.0000	0	0.0000	5,100	6.8049	34,704.99	6.7699
8	0	0.0000	0.00	0.0000	0	0.0000	14,000	7.1367	99,913.80	7.1017
9	0	0.0000	0.00	0.0000	0	0.0000	30,500	7.2226	220,288.50	7.1860
13	0	0.0000	0.00	0.0000	0	0.0000	31,000	7.2025	223,277.20	7.1962
14	2,000	7.4700	14,940.00	0.0000	0	0.0000	26,000	7.3976	192,336.60	7.3966
15	0	0.0000	0.00	0.0000	0	0.0000	39,000	7.4759	291,560.30	7.4602
16	3,000	7.3600	22,080.00	0.0000	0	0.0000	32,000	7.4651	238,882.80	7.4504
17	0	0.0000	0.00	0.0000	0	0.0000	156,900	7.3416	1,151,897.04	7.3593
20	0	0.0000	0.00	0.0000	0	0.0000	39,800	7.3854	293,937.12	7.3719
21	0	0.0000	0.00	0.0000	0	0.0000	19,800	7.5187	148,869.32	7.4934
22	0	0.0000	0.00	0.0000	0	0.0000	23,400	7.4771	174,963.58	7.4462
23	0	0.0000	0.00	0.0000	0	0.0000	21,700	7.3344	159,156.75	7.3075
24	0	0.0000	0.00	0.0000	0	0.0000	55,800	7.1274	397,711.02	7.1116
27	0	0.0000	0.00	0.0000	0	0.0000	21,500	7.7691	167,035.60	7.7284
28	0	0.0000	0.00	0.0000	5,000	7.9450	11,500	7.9192	130,795.80	7.8792
29	0	0.0000	0.00	0.0000	0	0.0000	22,500	8.0107	180,240.75	7.9707
30	0	0.0000	0.00	0.0000	0	0.0000	7,000	8.3089	58,162.30	8.2689
	(1,000)		(5,580.00)	<b>TOTALS</b>	5,000		664,000		4,928,793.97	

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

**November 2006**

**PEAKING Demand Supply Contracts**

Nova Inventory Transfer Supplies

DAY	Index Related GJ's	Same Day (SD)		AECO Daily Index \$/GJ
		Avg. Cost \$/GJ	Total Cost \$	
1	225,000	7.1077	1,599,243	7.0743
2	10,000	7.1408	71,408	7.0858
3	0	0.0000	0	7.2506
8	100,000	7.1417	714,170	7.1017
9	70,000	7.2110	504,770	7.1860
10	40,000	7.1414	285,656	7.1164
11	200,000	7.2802	1,456,036	7.1904
13	50,000	7.2212	361,060	7.1962
14	0	0.0000	0	7.3966
15	0	0.0000	0	7.4602
21	495,000	7.5890	3,756,546	7.4934
22	380,000	7.5714	2,877,150	7.4462
23	425,000	7.5690	3,216,835	7.3075
24	400,000	7.4609	2,984,365	7.1116
27	0	0.0000	0	7.7284
29	50,000	8.0232	401,160	7.9707
30	5,000	8.3189	41,595	8.2689
<b>TOTALS</b>	2,450,000		18,269,993	

Schedule R 10 I S - Long Term & Short Term Purchases  
November 2006

**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	11/01/2006	11/30/2006	1,545,000	7.304	11,284,649
180946	11/01/2006	11/30/2006	1,134	6.239	7,075
185436	11/01/2006	11/30/2006	7,263	6.368	46,250
263586	11/01/2006	11/30/2006	1,379	6.487	8,946
<b>Total Long Term Indexed</b>			<b>1,554,776</b>	<b>7.298</b>	<b>11,346,921</b>
276440	11/01/2006	11/30/2006	150,000	6.394	959,145
276639	11/01/2006	11/30/2006	150,000	6.394	959,145
279091	11/01/2006	11/30/2006	450,000	6.397	2,878,560
280962	11/01/2006	11/30/2006	300,000	6.394	1,918,290
<b>Total Short Term(Monthly Index)</b>			<b>1,050,000</b>	<b>6.395</b>	<b>6,715,140</b>

January 25, 2007

Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases  
November 2006

**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>
278929	11/01/2006	11/30/2006	600,000	6.372	3,823,080
279478	11/01/2006	11/30/2006	600,000	6.374	3,824,580
279946	11/01/2006	11/30/2006	450,000	6.374	2,868,435
295463	11/01/2006	11/30/2006	825,000	7.744	6,388,680
<b>Total Short Term(Monthly Index)</b>			<b>2,475,000</b>	<b>6.830</b>	<b>16,904,775</b>

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

---

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

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

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

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast January 25, 2007</b>
1	AECO Monthly Index	TJ	4,385
2	AECO Daily Index	TJ	4,616
3	Other	TJ	11
	Total	TJ	9,012

---

January 25, 2007

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

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

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast January 25, 2007</b>
1	AECO Monthly Index	\$/GJ	6.6962
2	AECO Daily Index (1)	\$/GJ	6.9002

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including [January 24, 2007](#) on the AECO/NGX Intra-Alberta February (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the February, AECO/NGX Intra-Alberta Settlement prices on [January 18, 19, 22, 23 & 24, 2007](#).

---

In order to zero the forecast balance of the DGA on February 28, 2007, a GCFR of \$6.697/GJ should be implemented on February 01, 2007. Schedule F-3 shows how this rate is calculated.

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

**February 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	1,473
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	61,578
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	109
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	59,996
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	8,959
8	GCFR	\$/GJ	Line 6 divided by Line 7	6.697

**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

**January 25, 2007**

Supply Sources	Security Type	Credit Charge (bp)	October Payable	November Payable	December Payable	January Payable	February Payable	Actual Nov-06	Estimate Dec-06	Estimate Jan-07	Forecast Feb-07
<b>(SOUTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
ATCO	PCG	40.0	28,534	46,250	75,794	64,920	0	22	36	44	22
Canetic Resources Inc.	N/A		5,979	8,946	12,005	7,623	0				
Enerplus Resources Corporation	N/A		4,855	7,075	9,427	5,895	0				
Shell Canada Limited	PCG	40.0	5,894,573	11,284,649	12,003,924	11,041,713	0	5,094	6,999	7,103	3,751
Forecast (with credit support)	PCG	40.0	0	0	0	0	9,655,920	0	0	0	2,645
Forecast (without credit support)			0	0	0	0	74,997				
<b>Sub Total</b>			5,933,941	11,346,920	12,101,150	11,120,151	9,730,917	5,116	7,035	7,147	6,418
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	0	0	1,750,857	0	0	0	480	595	0
Counterparty 2	PCG	40.0	0	0	4,666,368	0	0	0	1,278	1,585	0
Counterparty 3	PCG	40.0	693,113	188,687	145,910	0	0	287	102	50	0
Counterparty 4	PCG	40.0	2,832,104	10,377,027	3,565,717	6,692,093	0	3,805	4,389	3,045	2,273
Counterparty 5	N/A		264,750	0	0	0	0				
Counterparty 6	PCG	40.0	206,250	3,842,520	1,361,553	1,174,236	0	1,123	1,636	784	399
Counterparty 7	PCG	40.0	67,836	0	0	0	0	23	0	0	0
Counterparty 8	N/A		409,509	(36,542)	1,755,330	903,332	0				
Counterparty 9	PCG	40.0	0	14,209	0	0	0	4	5	0	0
Counterparty 10	PCG	40.0	3,107,774	14,455,177	4,267,639	5,695,939	0	5,016	5,922	3,010	1,935
Counterparty 11	PCG	40.0	452,042	4,064,431	273,207	124,768	0	1,267	1,411	127	42
Counterparty 12	PCG	40.0	3,712,326	4,045,108	4,914,634	5,005,822	0	2,369	2,676	3,041	1,701
Counterparty 13	PCG	40.0	0	0	4,666,368	0	0	0	1,278	1,585	0
Counterparty 14	PCG	40.0	0	0	0	9,338	0	0	0	3	3
Counterparty 15	PCG	40.0	89,858	1,300,253	807,685	535,293	0	387	649	421	182
Counterparty 16	PCG	40.0	314,550	154,200	4,666,368	4,490,819	0	149	1,329	2,816	1,526
Counterparty 17	PCG	40.0	66,700	669,425	0	393,950	0	206	220	108	134
Counterparty 18	PCG	40.0	2,175,448	11,063,758	7,112,543	17,930,606	0	3,770	5,586	7,329	6,091
Counterparty 99	PCG	40.0	0	0	0	9,910,180	0	0	0	2,715	3,367
Forecast (with credit support)	PCG	40.0	0	0	0	0	42,004,475	0	0	0	11,508
<b>Sub Total</b>			14,392,260	50,138,253	39,954,179	52,866,376	42,004,475	18,406	26,961	27,214	29,161
<b>Natural Gas Exchange</b>	N/A		11,035,404	9,880,726	10,383,046	6,692,829	0				
Forecast			0	0	0	0	9,554,983				
<b>Sub Total</b>			11,035,404	9,880,726	10,383,046	6,692,829	9,554,983				
Required LC	L/C	37.5	15,000,000	25,000,000	40,000,000	25,000,000	25,000,000	7,705	12,740	7,962	7,192
PCG to Bank to Support LC	PCG	40.0	15,000,000	25,000,000	40,000,000	25,000,000	25,000,000	8,219	13,589	8,493	7,671
<b>Sub Total</b>								15,924	26,329	16,455	14,863
<b>TOTAL</b>			31,361,605	71,365,899	62,438,375	70,679,356	61,290,375	39,446	60,325	50,816	50,442

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.

January 25, 2007

---

January 25, 2007

**DIRECT ENERGY REGULATED SERVICES SOUTH DGA**

**February 2007**