

January 25, 2008

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

Attention: Mike Hagan
Director, Rates
Edmonton Office

Dear Ms. Torrance:

**Re: Direct Energy Regulated Services Gas Cost Flow-through Rates for ATCO
Gas South Service Territory for February 2008**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) a proposed Rider "F" of \$7.721/GJ for the month of February 2008 for the service territory of ATCO Gas South.

In compliance with the Alberta Energy and Utilities Board directive on page 98 of Decision 2007-103, DERS has added the approved margin to the GCFR to formulate Rider "F". The DGA package used to derive a GCFR rate of \$7.672 per GJ is attached.

Additional price and weather data relating to the December 2007 and January 2008 periods as well as some explanatory notes relating to the prior period adjustments have been included in Appendix B. DERS has included the R-10 A S (DETAIL) schedule as a separate attachment labeled Detailed Reconciliation Schedule South (Feb 08) in order to reconcile the R-5 schedule.

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, Canada West
Direct Energy Marketing Limited
Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited

Approved by Decision 2007-103
Effective February 1, 2008
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**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 February 1, 2008 to February 29, 2008

\$7.721 per GJ