

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 Rider F of **\$7.721/GJ** for Direct Energy Regulated Services (DERS) gas customers for February 2008.

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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 January 25, 2008.

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 29, 2008, a Rider F of **\$7.721/GJ** should be implemented for DERS Gas Customers on February 01, 2008.

**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-07	Estimate Dec-07	Estimate Jan-08	Forecast Feb-08
1	Opening Cumulative DGA Balance	\$,000	301	555	(1,762)	(6,408)	(6,462)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	41,773	66,189	67,640	58,689
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	6	(3,040)	(4)	(4)	0
6	Total Gas Supply Costs	\$,000	6	38,732	66,185	67,636	58,689
<u>Adjustments</u>							
7	Transportation	\$,000	0	34	54	52	62
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	0	28	28	26	26
10	Bad Debts	\$,000	0	121	127	182	184
11	Working Capital	\$,000	0	15	15	37	37
12	Credit Charge	\$,000	0	25	41	49	44
13	Net Gas Costs	\$,000	6	38,954	66,450	67,981	59,042
<u>Recoveries</u>							
14	Net Calendar Sales*	\$,000	260	33,887	60,657	67,310	65,407
15	Transportation Imbalance Sales	\$,000	0	1	0	0	0
16	Excess System Sales	\$,000	0	2,646	1,040	522	0
17	Penalty Revenue	\$,000	0	103	108	95	96
18	Total Recoveries	\$,000	260	36,637	61,804	67,927	65,503
19	Current DGA Balance	\$,000	253	(2,317)	(4,646)	(54)	6,461
20	Closing Cumulative DGA Balance	\$,000	555	(1,762)	(6,408)	(6,462)	0

* Net Calendar Sales excludes 2008 return margin amounts.

January 25, 2008

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

Line	Description	Units	A Actual Nov-07	B Estimate Dec-07	C Estimate Jan-08	D Forecast Feb-08
<u>Gas Supply Costs</u>						
1	Purchases	TJ	7,022	10,682	10,366	8,572
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(204)	0	0	0
4	Total Energy	TJ	6,817	10,682	10,366	8,572
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	Net Energy	TJ	6,817	10,682	10,366	8,572
<u>Recoveries</u>						
7	Calendar Sales	TJ	6,543	9,863	10,232	8,526
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	433	170	80	0
10	Total Recoveries	TJ	6,975	10,033	10,313	8,526
11	Load Balancing / UFG Estimate	TJ	158	(649)	(54)	(46)

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for November 2007 as of October 25, 2007 and January 25, 2008 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

November 2007

Line	Description	Units	Forecast October 25, 2007	Actual January 25, 2008	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	44,168	41,773	(2,396)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(3,040)	(3,040)
5	Total Gas Supply Costs	\$,000	44,168	38,732	(5,436)
	<u>Adjustments</u>				
6	Transportation	\$,000	35	34	(2)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement	\$,000	28	28	0
9	Gas Supply - Related Bad Debts	\$,000	127	121	(7)
10	Working Capital	\$,000	15	15	(1)
11	Credit Charge	\$,000	26	25	(1)
12	Net Gas Costs	\$,000	44,401	38,954	(5,447)
	<u>Recoveries</u>				
13	Net Calendar Sales*	\$,000	39,574	33,887	(5,687)
14	Transportation Imbalance Sales	\$,000	0	1	1
15	Excess System Sales	\$,000	0	2,646	2,646
16	Penalty Revenue	\$,000	108	103	(6)
17	Total Recoveries	\$,000	39,682	36,637	(3,045)

* Net Calendar Sales excludes 2008 return margin amounts.

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for November 2007 as of October 25, 2007 and January 25, 2008. It also shows the normal and actual degree days for November 2007.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
November 2007

Line	Description	Units	Forecast October 25, 2007	Actual January 25, 2008	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	7,680	7,022	(658)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(204)	(204)
<hr/>					
4	Total Energy	TJ	7,680	6,817	(863)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	Net Energy	TJ	7,680	6,817	(863)
<u>Recoveries</u>					
7	Calendar Sales	TJ	7,638	6,543	(1,095)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	433	433
<hr/>					
10	Total Recoveries	TJ	7,638	6,975	(662)
<hr/>					
11	Load Balancing/UFG	TJ	(42)	158	200
12	Degree Days	DD	525	509	(16)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for November 2007 as of January 25, 2008.

SCHEDULE R-3
ACTUAL GAS PURCHASES
November 2007

Line	Description	Units	Actual January 25, 2008
1	ON-System ATCO Supplies	\$,000	12,895
2		TJ	2,207
3		\$/GJ	5.842
4	Nova Inventory Transfer Supplies	\$,000	28,875
5		TJ	4,814
6		\$/GJ	5.998
7	Total Purchases	\$,000	41,771
8		TJ	7,022
9		\$/GJ	5.949

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for November 2007 as of January 25, 2008.

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

		November 2007	Actual January 25, 2008
Line	Description	Units	
1	Long Term Indexed	\$,000	7,584
2		TJ	1,299
3		\$/GJ	5.837
4	Total Long Term	\$,000	7,584
5		TJ	1,299
6		\$/GJ	5.837
7	Short Term (Monthly Index)	\$,000	3,702
8		TJ	630
9		\$/GJ	5.876
10	Short Term (Daily Index)	\$,000	1,610
11		TJ	278
12		\$/GJ	5.786
13	Total Short Term	\$,000	5,312
14		TJ	908
15		\$/GJ	5.848
16	Total ON-System ATCO Supplies	\$,000	12,895
17		TJ	2,207
18		\$/GJ	5.842

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**SECTION 5
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for November 2007 as of January 25, 2008.

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

		November 2007	Actual January 25, 2008
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	11,375
8		TJ	1,950
9		\$/GJ	5.834
10	Short Term (Daily Index)	\$,000	17,500
11		TJ	2,864
12		\$/GJ	6.110
13	Total Short Term	\$,000	28,875
14		TJ	4,814
15		\$/GJ	5.998
16	Total Nova Inventory Transfer Supplies	\$,000	28,875
17		TJ	4,814
18		\$/GJ	5.998

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for November 2007 as of October 25, 2007 and January 25, 2008 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
November 2007

Line	Description	Units	Forecast October 25, 2007	Actual January 25, 2008	Actual less Forecast
1	AECO Monthly Index	\$/GJ	5.7714	5.8228	0.0514
2	AECO Daily INDEX	\$/GJ	5.7290	5.7241	(0.0049)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including October 24, 2007 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, 2007 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, 22, 23, & 24, 2007.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in November, 2007 as reported by NGX and includes all weekend deals.

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-7 shows the actual contract storage and transportation costs for November 2007 as of January 25, 2008.

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 2007

Line	Description	Units	Actual January 25, 2008
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	31
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		34

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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

November 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	0	0.0000	0.00	5.3264	0	0.0000	50,000	5.8786	293,930.00	5.8786
2	0	0.0000	0.00	5.5853	0	0.0000	30,000	5.2045	156,135.00	4.9911
3	(51,000)	6.0324	(307,650.00)	6.0257	5,000	5.5900	0	0.0000	27,950.00	5.4194
4	0	0.0000	0.00	5.3642	60,000	6.1517	0	0.0000	369,100.00	6.1168
5	0	0.0000	0.00	5.8762	0	0.0000	25,000	5.4031	135,077.50	5.4121
6	(35,000)	5.8576	(205,016.00)	5.2737	0	0.0000	20,000	5.8626	117,252.00	5.8576
8	(9,830)	5.2179	(51,291.96)	5.2286	0	0.0000	0	0.0000	0.00	5.2179
9	(35,000)	5.3040	(185,640.00)	5.4933	0	0.0000	0	0.0000	0.00	5.3040
11	0	0.0000	0.00	4.9448	10,000	5.0000	0	0.0000	50,000.00	5.2545
12	29,962	4.9499	148,308.90	5.0604	0	0.0000	0	0.0000	0.00	4.9499
15	(24,000)	5.8085	(139,404.00)	6.0378	0	0.0000	0	0.0000	0.00	5.8085
16	(32,000)	5.9849	(191,516.80)	5.7085	0	0.0000	105,000	5.9498	624,726.00	5.9849
17	24,000	5.6985	136,764.00	4.9321	0	0.0000	40,000	5.9512	238,048.00	5.6985
18	(16,000)	5.7131	(91,410.00)	5.8304	0	0.0000	0	0.0000	0.00	5.1936
19	20,000	5.8884	117,768.00	5.8590	0	0.0000	0	0.0000	0.00	5.8884
20	0	0.0000	0.00	5.7872	0	0.0000	110,000	5.8451	642,965.00	5.8415
21	11,000	5.9500	65,450.00	6.0523	15,000	5.7850	60,000	5.8292	436,525.00	5.8275
22	0	0.0000	0.00	6.2045	38,900	6.0831	25,000	6.0805	388,643.50	6.0780
23	0	0.0000	0.00	6.1855	20,000	6.2200	120,000	6.2163	870,359.00	6.2327
24	28,500	6.2828	179,059.80	6.2380	0	0.0000	0	0.0000	0.00	6.2828
25	(44,000)	6.3260	(278,345.60)	6.5327	0	0.0000	0	0.0000	0.00	6.2734
26	(65,000)	6.4005	(416,030.00)	6.5553	0	0.0000	30,000	6.5005	195,015.00	6.4980
27	(55,712)	6.4480	(359,230.98)	6.2091	70,000	6.4179	150,000	6.4480	1,416,450.00	6.4480
28	0	0.0000	0.00	6.1248	80,000	6.4081	15,000	6.2544	606,466.00	6.2544
29	18,000	6.2111	111,800.00	6.1851	0	0.0000	45,000	6.1477	276,646.50	6.1477
30	0	0.0000	0.00	6.2497	29,000	6.1200	50,000	6.1333	484,145.00	6.1568

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(236,080)	(1,466,384.64)
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TOTALS

327,900	875,000	7,329,433.50
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Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day

November 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	10,700	5.8978	63,106.02	5.8786
2	0	0.0000	0.00	0.0000	0	0.0000	23,100	5.2427	121,107.45	4.9911
5	0	0.0000	0.00	0.0000	0	0.0000	28,950	5.4522	157,841.80	5.4121
6	0	0.0000	0.00	0.0000	0	0.0000	2,000	5.8976	11,795.20	5.8576
8	0	0.0000	0.00	0.0000	0	0.0000	29,600	5.2514	155,440.84	5.2179
13	0	0.0000	0.00	0.0000	0	0.0000	7,400	5.0785	37,580.90	5.0485
14	0	0.0000	0.00	0.0000	0	0.0000	18,900	5.4048	102,149.84	5.3656
16	0	0.0000	0.00	0.0000	0	0.0000	40,500	5.9906	242,621.10	5.9849
19	0	0.0000	0.00	0.0000	0	0.0000	3,000	5.9384	17,815.20	5.8884
20	0	0.0000	0.00	0.0000	0	0.0000	26,700	5.8906	157,278.05	5.8415
21	3,000	6.0000	18,000.00	0.0000	0	0.0000	12,000	5.8810	70,572.50	5.8275
22	0	0.0000	0.00	0.0000	0	0.0000	6,000	6.1330	36,798.00	6.0780
23	0	0.0000	0.00	0.0000	0	0.0000	35,100	6.2653	219,913.32	6.2327
26	800	6.5200	5,216.00	0.0000	0	0.0000	7,000	6.5498	45,848.50	6.4980
27	0	0.0000	0.00	0.0000	0	0.0000	4,000	6.5049	26,019.50	6.4480
29	0	0.0000	0.00	0.0000	0	0.0000	12,500	6.2052	77,565.25	6.1477
30	0	0.0000	0.00	0.0000	0	0.0000	7,000	6.1822	43,275.60	6.1568
	3,800		23,216.00	TOTALS	0		274,450		1,586,729.07	

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

November 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	0	0.0000	0	5.8786
8	20,000	5.2429	104,858	5.2179
9	0	0.0000	0	5.3040
13	50,000	5.0735	253,675	5.0485
14	80,000	5.6121	448,964	5.3656
16	0	0.0000	0	5.9849
19	380,000	6.0720	2,307,366	5.8884
20	0	0.0000	0	5.8415
21	80,000	5.9777	478,220	5.8275
23	0	0.0000	0	6.2327
26	490,000	6.4202	3,145,896	6.4980
28	5,000	6.2794	31,397	6.2544
29	110,000	6.1727	678,997	6.1477
30	250,000	6.1647	1,541,175	6.1568
TOTALS	1,465,000		8,990,547	

Schedule R 10 I S - Long Term & Short Term Purchases
November 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>
185436	11/01/2007	11/30/2007	6,403	5.741	36,759
180946	11/01/2007	11/30/2007	1,230	5.698	7,008
180893	11/01/2007	11/30/2007	1,290,000	5.838	7,530,762
263586	11/01/2007	11/30/2007	1,506	5.960	8,976
Total Long Term Indexed			1,299,139	5.837	7,583,505
384132	11/01/2007	11/30/2007	120,000	5.868	704,136
382568	11/01/2007	11/30/2007	210,000	5.878	1,234,338
380651	11/01/2007	11/30/2007	300,000	5.878	1,763,340
Total Short Term(Monthly Index)			630,000	5.876	3,701,814

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Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
November 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>
380778	11/01/2007	11/30/2007	300,000	5.835	1,750,590
384910	11/01/2007	11/30/2007	300,000	5.833	1,749,840
385070	11/01/2007	11/30/2007	600,000	5.833	3,499,680
385087	11/01/2007	11/30/2007	300,000	5.833	1,749,840
385264	11/01/2007	11/30/2007	150,000	5.838	875,670
383730	11/01/2007	11/30/2007	300,000	5.833	1,749,840
Total Short Term(Monthly Index)			1,950,000	5.834	11,375,460

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SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for February 2008.

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 2008.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for February 2008.

Schedule F-1 shows the forecast of gas purchases for February 2008 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 2008

Line	Description	Units	Forecast January 25, 2008
1	AECO Monthly Index	TJ	4,150
2	AECO Daily Index	TJ	4,410
3	Other	TJ	12
	Total	TJ	8,572

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Schedule F-2 shows the forecast of the unit gas prices for February 2008.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
February 2008

Line	Description	UNIT	Forecast January 25, 2008
1	AECO Monthly Index	\$/GJ	6.8289
2	AECO Daily Index (1)	\$/GJ	6.8635

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including January 24, 2008 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, 21, 22, 23 & 24, 2008.

In order to zero the forecast balance of the DGA on February 29, 2008, a Rider F of \$7.721/GJ should be implemented on February 01, 2008. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3
RIDER F RATE DERIVATION**

February 2008

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(6,462)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	59,042
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	96
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	65,407
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	8,526
8	GCFR	\$/GJ	Line 6 divided by Line 7	7.672
9	2008 Approved Return Margin	\$/GJ	Decision 2007-103	0.0496
10	Rider F	\$/GJ	Line 8 + Line 9	7.721

SPECIAL NOTES

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

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

January 25, 2008

Supply Sources	Security Type	Credit Charge (bp)	October Payable	November Payable	December Payable	January Payable	February Payable	Actual Nov-07	Estimate Dec-07	Estimate Jan-08	Forecast Feb-08
(SOUTH)											
ATCO Gas Supply Contracts											
ATCO	PCG	40.0	34,084	36,759	42,137	57,026	0	22	24	30	19
Canetic Resources Inc.	N/A		5,468	8,976	7,641	6,778	0				
Enerplus Resources Corporation	N/A		4,090	7,008	6,070	5,187	0				
Shell Canada Limited	PCG	40.0	6,502,530	7,530,762	8,360,176	8,152,761	0	4,272	4,766	5,074	2,770
Forecast (with credit support)	PCG	40.0	0	0	0	0	8,258,189	0	0	0	2,263
Forecast (without credit support)			0	0	0	0	79,215				
Sub Total			6,546,172	7,583,505	8,416,024	8,221,752	8,337,404	4,294	4,790	5,104	5,052
DEML Supply Contracts											
Counterparty 1	PCG	40.0	0	0	586,988	572,982	0	0	161	356	195
Counterparty 3	PCG	40.0	1,899,069	2,124,790	2,505,151	197,453	0	1,227	1,385	905	67
Counterparty 4	PCG	40.0	63,055	765,231	501,673	4,236,207	0	231	389	1,331	1,439
Counterparty 5	PCG	40.0	3,123,831	4,308,728	7,536,124	2,855,471	0	2,242	3,481	3,343	970
Counterparty 6	PCG	40.0	1,696,824	1,255,586	5,346,803	4,371,912	0	920	1,878	3,014	1,485
Counterparty 7	PCG	40.0	0	1,749,840	1,942,677	1,894,441	0	479	1,108	1,179	644
Counterparty 8	N/A		(134,816)	(763,495)	199,820	1,284,341	0				
Counterparty 9	PCG	40.0	0	0	0	69,100	0	0	0	19	23
Counterparty 10	PCG	40.0	17,552	1,976,451	5,644,787	6,839,817	0	73	2,196	3,792	2,324
Counterparty 11	PCG	40.0	1,505,297	8,069,994	4,632,863	2,988,934	0	2,722	3,922	2,393	1,015
Counterparty 12	PCG	40.0	386,750	214,203	454,465	271,880	0	190	195	229	92
Counterparty 13	PCG	40.0	1,482,371	2,130,120	3,550,239	2,929,019	0	1,087	1,673	2,009	995
Counterparty 14	PCG	40.0	0	0	0	3,787,332	0	0	0	1,038	1,287
Counterparty 15	PCG	40.0	0	117,147	191,100	646,638	0	32	91	242	220
Counterparty 16	PCG	40.0	0	0	0	1,893,666	0	0	0	519	643
Counterparty 17	PCG	40.0	1,647,179	691,399	3,088,283	1,383,950	0	749	1,073	1,428	470
Counterparty 18	PCG	40.0	414,146	712,383	2,588,719	377,700	0	336	943	983	128
Counterparty 19	PCG	40.0	0	0	1,216,409	1,212,321	0	0	333	745	412
Counterparty 20	PCG	40.0	0	2,029,933	3,055,545	2,183,354	0	556	1,505	1,636	742
Counterparty 21	PCG	40.0	1,425,594	3,175,598	10,798,292	2,237,287	0	1,354	4,002	4,281	760
Counterparty 22	PCG	40.0	0	213,700	243,422	633,825	0	59	137	256	215
Counterparty 99	PCG	40.0	0	0	0	8,882,328	0	0	0	2,434	3,018
Forecast (with credit support)	PCG	40.0	0	0	0	0	41,270,643	0	0	0	11,307
Sub Total			13,526,852	28,771,608	54,083,360	51,749,958	41,270,643	12,257	24,472	32,132	28,451
Natural Gas Exchange											
Forecast	N/A		1,712,819	2,769,207	2,648,625	7,146,498	0				
Sub Total			1,712,819	2,769,207	2,648,625	7,146,498	9,081,249				
Required LC	L/C	37.5	7,500,000	12,500,000	17,500,000	17,500,000	17,500,000	3,853	5,574	5,574	5,214
PCG to Bank to Support LC	PCG	40.0	7,500,000	12,500,000	17,500,000	17,500,000	17,500,000	4,110	5,945	5,945	5,562
Sub Total								7,963	11,519	11,519	10,776
TOTAL			21,785,843	39,124,320	65,148,009	67,118,208	58,689,296	24,514	40,781	48,755	44,279

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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, 2008

DIRECT ENERGY REGULATED SERVICES SOUTH DGA

February 2008