

December 20, 2007

Alberta Energy and Utilities Board  
10<sup>th</sup> 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 January 2008**

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 January 2008 for the service territory of ATCO Gas South. The DGA package used to derive these rates is also attached.

In compliance with the Board directive on page 98 of Decision 2007-103, DERS has added \$0.0496 per GJ to the GCFR calculated in the DGA package and is applying to the Board for acknowledgement of Rider "F" as shown below.

South GCFR rate as per attached DGA Package: \$6.5780 per GJ

plus Additional reasonable return margin: \$0.0496 per GJ

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Resulting Rider "F" to be applicable to DERS South Customers: **\$6.628** per GJ

Future GCFR calculations will include this adder on Schedule F-3 of the DGA package.

Additional price and weather data relating to the November and December 2007 periods as well as some explanatory notes relating to the prior period adjustments have been included in Appendix B.

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 January 1, 2008  
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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 January 1, 2008 to January 31, 2008

**\$6.628 per GJ**