

Electronic Notification

December 27, 2007

Ms. Corinne Grudecki
Manager
Government and Regulatory Affairs, Canada West
Direct Energy Marketing Limited
111 - 5 Avenue SW Suite 1000
Calgary AB T2P 3Y6

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS) – SOUTH
GAS COST FLOW-THROUGH RATE (GCFR) – MONTH OF JANUARY 2008
APPLICATION NO. 1552414**

The Alberta Energy and Utilities Board (EUB) is in receipt of the monthly GCFR filing, dated December 20, 2007, from DERS, a Business Unit of Direct Energy Marketing Limited. DERS requested a GCFR of \$6.578 per gigajoule (GJ) for customers served in the ATCO Gas South service territory.

In Decision 2007-103, dated December 20, 2007, the EUB approved for DERS a combined reasonable return margin for the years 2007 and 2008 of \$0.0496/GJ, collection of which will begin in January 2008. Unlike the GCFR, the reasonable return margin is not subject to deferral account treatment through DERS's deferred gas account but is to be recovered with the GCFR through DERS's Rate Rider "F". For the month of January 2008, DERS included the following amounts in setting Rider "F" for customers served in the ATCO Gas South service territory:

	<u>\$/GJ</u>
GCFR	6.5780
Reasonable return margin	<u>0.0496</u>
Rider "F"	<u>6.628</u>

EUB staff have reviewed the filing and the EUB accepts that the above noted GCFR represents a rate determined in accordance with the directions previously issued to gas utilities subject to the EUB's jurisdiction in Decision 2001-75, dated October 30, 2001, and more specifically to ATCO Gas South in Decision 2002-034, dated March 21, 2002, and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the EUB acknowledges that, as included in Rider "F" for DERS's ATCO Gas South service territory, for the period January 1, 2008 to January 31, 2008, the GCFR of \$6.578/GJ is appropriate to be applied to all energy sold to customers served under Rates G1, G3 and G5.

As directed in Decision 2001-75, a 30-day review period is provided for parties to raise any concerns with a gas cost recovery rate. As DERS is the Default Supply Provider for ATCO Gas, the 30-day review period would be similarly applicable to the GCFRs requested by DERS.

Yours truly,

A handwritten signature in cursive script that reads "Laurie Bayda".

Laurie J. Bayda
Customer Service Manager
Utilities Branch

pc: DERS South GCFR/ATCO Gas South GCRR list – electronic notification