

December 19, 2008

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

Attention: Mike Hagan
Director, Rates
Edmonton Office

Dear Mr. Hagan:

**Re: Direct Energy Regulated Services Gas Cost Flow-through Rates for ATCO
Gas South Service Territory for January 2009**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) a proposed Rider "F" of \$5.584 per GJ for the month of January 2009 for the service territory of ATCO Gas South.

In compliance with the AUC directive #3 of Order U2008-374, DERS has added the approved interim margin of \$0.0223/GJ to the GCFR to formulate Rider "F". The DGA package used to derive a GCFR rate of \$5.562 per GJ is attached.

In response to the Commission's Decision 2008-105 issued October 28, 2008 ("Rider D Decision"), DERS has included additional information labeled Attachment 1 – Load Balancing Transition for 2009 which details the imbalances included in the January 2009 GCFR calculation related to the period prior to October 1, 2008.

Additional price and weather data relating to the November 2008 and December 2008 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. Severson>

Corinne Severson
Senior 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 Order 2008-347
Effective January 1, 2009
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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 January 1, 2009 to January 31, 2009

\$5.584 per GJ