

Electronic Notification

June 29, 2006

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

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS) – NORTH
GAS COST FLOW-THROUGH RATE (GCFR) – MONTH OF JULY 2006
APPLICATION NO. 1467098**

The Alberta Energy and Utilities Board (the Board) is in receipt of the filing from DERS, a Business Unit of Direct Energy Marketing Limited, dated June 26, 2006 in which it has requested a GCFR of \$5.894 per gigajoule (GJ), for customers served in the ATCO Gas North (AGN) service territory, to be effective during the month of July 2006.

The Board has reviewed the filing, and accepts that the above noted GCFR represents a rate determined in accordance with the directions previously issued to gas utilities subject to the Board's jurisdiction in Decision 2001-75, dated October 30, 2001, and more specifically to AGN in Decision 2002-035, dated March 21, 2002 and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the Board acknowledges that, as set out in Rider "F" for DERS's ATCO Gas North Service Territory, for the period July 1, 2006 to July 31, 2006 the GCFR of \$5.894/GJ is appropriate to be applied to all energy sold to customers served under Rates G1 and G3.

The Board notes that DERS has included a portion of its 2005 energy related deferral cost recovery as a prior period adjustment in the July 2006 filing. The remaining amount of the cost recovery will be included in DERS GCFR filings for the months of August and September 2006. The total cost recovery of approximately \$3,517,200 relates to DERS's reconciliation of its 2005 actual costs with those costs which had been forecast and previously included in the deferred gas account for purposes of determining the monthly GCFR. DERS had made the request for postponement of the annual reconciliation, which ordinarily occurs in the March GCFR filing each year, by letter to the Board, dated February 16, 2006. By letter dated February 22, 2006, the Board accepted DERS's request.

As directed in Decision 2001-75, a 30-day review period is provided for parties to raise any concerns with a GCRR. 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,



Laurie J. Bayda
Customer Service Manager
Utilities Branch

pc: DERS North GCFR List/ATCO Gas North GCRR – electronic notification