

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 GCFR of \$ 5.882/GJ for Direct Energy Regulated Services (DERS) Rate 1 & 3 Gas Customers and a GCFR of \$ 5.499/GJ for Direct Energy Regulated Services (DERS) Rate 5 Gas Customers for July 2006.

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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 June 26, 2006.

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 July 31, 2006, a GCFR of **\$ 5.882/GJ** for DERS Rate 1 & 3 Gas Customers and a GCFR of **\$ 5.499/GJ** for DERS Rate 5 Gas Customers should be implemented on July 01, 2006.

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 Apr-06	Estimate May-06	Estimate Jun-06	Forecast Jul-06
1	Opening Cumulative DGA Balance	\$,000	7,006	6,259	3,619	5,995	(141)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	29,479	17,818	12,279	11,283
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	0	2,356	1	8	0
6	Total Gas Supply Costs	\$,000	0	31,834	17,819	12,287	11,283
<u>Adjustments</u>							
7	Transportation	\$,000	0	21	19	7	3
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	(12)	29	29	29	28
10	Bad Debts	\$,000	668	85	85	85	136
11	DGA Balance Carrying Costs	\$,000	144	(16)	(16)	(16)	16
12	Credit Charge	\$,000	0	40	27	22	17
13	Net Gas Costs	\$,000	800	31,993	17,963	12,414	11,484
<u>Recoveries</u>							
14	Calendar Sales	\$,000	99	28,558	19,254	5,929	11,509
15	Transportation Imbalance Sales	\$,000	0	1	0	0	0
16	Excess System Sales	\$,000	0	598	890	155	0
17	Penalty Revenue	\$,000	(46)	196	195	195	116
18	Total Recoveries	\$,000	53	29,354	20,338	6,278	11,625
19	Current DGA Balance	\$,000	(747)	(2,640)	2,376	(6,135)	141
20	Closing Cumulative DGA Balance	\$,000	6,259	3,619	5,995	(141)	0

June 26, 2006

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

Line	Description	Units	A Actual Apr-06	B Estimate May-06	C Estimate Jun-06	D Forecast Jul-06
<u>Gas Supply Costs</u>						
1	Purchases	TJ	4,685	3,066	2,267	1,978
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	377	0	0	0
4	Total Energy	TJ	5,062	3,066	2,267	1,978
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	Net Energy	TJ	5,062	3,066	2,267	1,978
<u>Recoveries</u>						
7	Calendar Sales	TJ	4,782	3,253	2,216	1,962
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	101	172	29	0
10	Total Recoveries	TJ	4,883	3,424	2,245	1,962
11	DGA UFG	TJ	(179)	358	(23)	(16)

SPECIAL NOTES

INTRODUCTION

This section provides details of the Deferred Gas Account (DGA) components for April 2006.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for April 2006 as of March 27, 2006 and June 26, 2006 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

April 2006

Line	Description	Units	Forecast March 27, 2006	Actual June 26, 2006	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	37,126	29,479	(7,648)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	2,356	2,356
5	Total Gas Supply Costs	\$,000	37,126	31,834	(5,292)
	<u>Adjustments</u>				
6	Transportation	\$,000	29	21	(7)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement and Portfolio Management	\$,000	29	29	0
9	Bad Debts	\$,000	82	85	4
10	DGA Balance Carrying Costs	\$,000	(15)	(16)	(1)
11	Credit Charge	\$,000	45	40	(6)
12	Net Gas Costs	\$,000	37,295	31,993	(5,302)
	<u>Recoveries</u>				
13	Sales	\$,000	34,149	28,558	(5,591)
14	Transportation Imbalance Sales	\$,000	0	1	1
15	Excess System Sales	\$,000	0	598	598
16	Penalty Revenue	\$,000	187	196	9
17	Total Recoveries	\$,000	34,336	29,354	(4,982)

June 26, 2006

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for April 2006 as of March 27, 2006 and June 26, 2006. It also shows the normal and actual degree days for April 2006.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
April 2006

Line	Description	Units	Forecast March 27, 2006	Actual June 26, 2006	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	5,773	4,685	(1,088)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	377	377
<hr/>					
4	Total Energy	TJ	5,773	5,062	(710)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	Net Energy	TJ	5,773	5,062	(710)
<u>Recoveries</u>					
7	Calendar Sales	TJ	5,719	4,782	(936)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	101	101
<hr/>					
10	Total Recoveries	TJ	5,719	4,883	(835)
<hr/>					
11	DGA UFG	TJ	(54)	(179)	(125)
12	Degree Days	DD	322	262	(60)

June 26, 2006

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for April 2006 as of June 26, 2006.

SCHEDULE R-3
ACTUAL GAS PURCHASES
April 2006

Line	Description	Units	Actual June 26, 2006
1	ON-System ATCO Supplies	\$,000	20,554
2		TJ	3,275
3		\$/GJ	6.275
4	Nova Inventory Transfer Supplies	\$,000	8,921
5		TJ	1,409
6		\$/GJ	6.329
7	Total Purchases	\$,000	29,475
8		TJ	4,685
9		\$/GJ	6.292

June 26, 2006

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for April 2006 as of June 26, 2006.

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

		April 2006	Actual June 26, 2006
Line	Description	Units	
1	Long Term Indexed	\$,000	8,595
2		TJ	1,360
3		\$/GJ	6.318
4	Total Long Term	\$,000	8,595
5		TJ	1,360
6		\$/GJ	6.318
7	Short Term (Monthly Index)	\$,000	4,719
8		TJ	750
9		\$/GJ	6.292
10	Short Term (Daily Index)	\$,000	7,239
11		TJ	1,165
12		\$/GJ	6.214
13	Total Short Term	\$,000	11,959
14		TJ	1,915
15		\$/GJ	6.245
16	Total ON-System ATCO Supplies	\$,000	20,554
17		TJ	3,275
18		\$/GJ	6.275

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**SECTION 5
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for April 2006 as of June 26, 2006.

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

		April 2006	Actual June 26, 2006
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	947
8		TJ	150
9		\$/GJ	6.316
10	Short Term (Daily Index)	\$,000	7,974
11		TJ	1,259
12		\$/GJ	6.331
13	Total Short Term	\$,000	8,921
14		TJ	1,409
15		\$/GJ	6.329
16	Total Nova Inventory Transfer Supplies	\$,000	8,921
17		TJ	1,409
18		\$/GJ	6.329

June 26, 2006

Schedule R-6 shows the forecast and actual unit gas prices for April 2006 as of March 27, 2006 and June 26, 2006 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
April 2006

Line	Description	Units	Forecast March 27, 2006	Actual June 26, 2006	Actual less Forecast
1	AECO Monthly Index	\$/GJ	6.2729	6.3089	0.0360
2	AECO Daily INDEX	\$/GJ	6.5162	6.3023	(0.2139)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including March 24, 2006 on the AECO/NGX Intra-Alberta April (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 March 31, 2006 on the AECO/NGX Intra-Alberta April (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the April, AECO/NGX Intra-Alberta Settlement prices on March 20, 21, 22, 23 & 24 2006.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in April, 2006 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 April 2006 as of June 26, 2006.

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
April 2006

Line	Description	Units	Actual June 26, 2006
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	20
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		21

June 26, 2006

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

April 2006

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	42,000	6.4320	270,145.00	6.3561	0	0.0000	0	0.0000	0.00	6.2463
2	0	0.0000	0.00	6.2247	0	0.0000	40,000	6.4743	258,972.00	6.4693
3	39,000	6.6438	259,110.00	6.4243	0	0.0000	0	0.0000	0.00	6.6964
4	13,000	6.3931	83,110.00	6.6197	27,000	6.5594	15,000	6.6047	276,175.50	6.6047
5	46,000	6.4604	297,178.60	6.6432	0	0.0000	38,000	6.4065	243,448.30	6.4266
6	10,000	6.0670	60,670.00	6.4334	78,000	6.4322	25,000	6.4946	664,075.00	6.4946
7	7,000	5.9300	41,510.00	6.5057	45,000	6.0800	0	0.0000	273,600.00	6.0820
8	16,000	5.9759	95,615.00	6.0924	0	0.0000	0	0.0000	0.00	5.9120
9	0	0.0000	0.00	5.9268	40,000	5.9875	0	0.0000	239,500.00	5.9213
10	0	0.0000	0.00	5.9451	52,000	5.9708	20,000	5.9736	429,952.00	5.9761
11	0	0.0000	0.00	5.9815	54,000	6.0983	0	0.0000	329,310.00	6.0688
12	0	0.0000	0.00	6.0198	16,000	5.9384	25,000	5.9005	242,527.50	5.8985
13	10,000	6.3500	63,500.00	5.8714	0	0.0000	0	0.0000	0.00	5.7855
15	11,000	6.3129	69,441.90	6.2786	5,000	6.3800	10,000	6.3139	95,039.00	6.3129
16	0	0.0000	0.00	6.3206	10,000	6.2300	0	0.0000	62,300.00	6.2062
17	0	0.0000	0.00	6.2111	(40,000)	6.2938	45,000	6.2479	29,405.50	6.2479
18	0	0.0000	0.00	6.2283	35,000	6.6386	25,000	6.6188	397,820.00	6.6188
19	5,000	7.0950	35,475.00	6.6038	10,000	6.8600	0	0.0000	68,600.00	6.9502
21	0	0.0000	0.00	7.0755	10,000	6.7600	0	0.0000	67,600.00	6.7709
22	0	0.0000	0.00	6.7313	100,000	6.7895	0	0.0000	678,950.00	6.6737
23	0	0.0000	(431.00)	6.6859	0	0.0000	0	0.0000	0.00	6.6654
25	25,000	6.0940	152,350.00	6.5920	5,000	6.2500	0	0.0000	31,250.00	6.2929
27	(15,000)	5.6000	(84,000.00)	6.0557	10,000	5.7200	0	0.0000	57,200.00	5.7577
29	(28,000)	5.1668	(144,670.00)	5.6130	0	0.0000	0	0.0000	0.00	5.4114
30	32,686	5.2952	173,078.91	5.1342	20,000	5.4000	0	0.0000	108,000.00	5.2952
	213,686		1,372,083.41	TOTALS	477,000		243,000		4,553,724.80	

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Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day

April 2006

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	118,000	6.3430	748,475.80	6.2463
3	0	0.0000	0.00	0.0000	0	0.0000	44,500	6.6926	297,819.80	6.6964
4	0	0.0000	0.00	0.0000	0	0.0000	48,300	6.5980	318,681.01	6.6047
5	0	0.0000	0.00	0.0000	0	0.0000	62,200	6.4195	399,293.77	6.4266
6	0	0.0000	0.00	0.0000	0	0.0000	36,300	6.4896	235,573.73	6.4946
7	0	0.0000	0.00	0.0000	0	0.0000	118,500	6.0619	718,335.75	6.0820
10	0	0.0000	0.00	0.0000	0	0.0000	39,100	5.9671	233,313.26	5.9761
11	0	0.0000	0.00	0.0000	0	0.0000	50,116	6.0562	303,513.32	6.0688
12	0	0.0000	0.00	0.0000	0	0.0000	55,700	5.8799	327,510.95	5.8985
13	0	0.0000	0.00	0.0000	0	0.0000	256,000	5.7616	1,474,973.60	5.7855
17	0	0.0000	0.00	0.0000	0	0.0000	61,800	6.2152	384,099.72	6.2479
18	0	0.0000	0.00	0.0000	0	0.0000	55,000	6.5841	362,124.00	6.6188
19	0	0.0000	0.00	0.0000	0	0.0000	12,550	6.9210	86,858.51	6.9502
20	0	0.0000	0.00	0.0000	0	0.0000	8,500	7.0270	59,729.10	7.0696
21	0	0.0000	0.00	0.0000	0	0.0000	48,000	6.7101	322,085.10	6.7709
22	0	0.0000	0.00	0.0000	0	0.0000	62,000	6.6909	414,835.90	6.6737
24	0	0.0000	0.00	0.0000	0	0.0000	32,000	6.5487	209,558.80	6.5884
25	5,000	6.0100	30,050.00	0.0000	0	0.0000	23,000	6.2453	143,641.70	6.2929
27	0	0.0000	0.00	0.0000	0	0.0000	14,000	5.7048	79,867.80	5.7577
28	0	0.0000	0.00	0.0000	0	0.0000	3,000	5.5781	16,734.30	5.6010
30	0	0.0000	0.00	0.0000	0	0.0000	11,400	6.3405	72,281.34	6.3418
	5,000		30,050.00	TOTALS	0		1,159,966		7,209,307.26	

Schedule R 10 D S - Actual Spot Gas Purchases by Trade Day

April 2006

Direct Energy Marketing Limited

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
3	0	0.0000	0.00	0.0000	0	0.0000	1,800	6.6964	12,053.52	6.6964
30	0	0.0000	0.00	0.0000	0	0.0000	10,000	6.3431	63,431.00	6.3418
	0		0.00	TOTALS	0		11,800		75,484.52	

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

April 2006

PEAKING Demand Supply Contracts

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)		AECO Daily
	GJ's	Avg. Cost	Total Cost	Index
		\$/GJ	\$	\$/GJ
1	0	0.0000	0	6.2463
15	150,000	6.2807	942,101	6.3129
18	0	0.0000	0	6.6188
22	75,000	6.7694	507,703	6.6737
24	0	0.0000	0	6.5884
TOTALS	225,000		1,449,803	

Schedule R 10 I S - Long Term & Short Term(Monthly Index) Purchases
April 2006

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>
180893	04/01/2006	04/30/2006	1,350,000	6.319	8,530,515
180894	04/01/2006	04/30/2006	960	6.186	5,938
180946	04/01/2006	04/30/2006	758	6.184	4,687
180947	04/01/2006	04/30/2006	859	6.213	5,337
183174	04/01/2006	04/30/2006	7,641	6.186	47,270
185436	04/01/2006	04/30/2006	174	7.561	1,316
Total Long Term Indexed			1,360,392	6.320	8,595,063
242832	04/01/2006	04/30/2006	150,000	6.309	946,335
243609	04/01/2006	04/30/2006	450,000	6.309	2,839,005
249050	04/01/2006	04/30/2006	150,000	6.226	933,863
Total Short Term(Monthly Index)			750,000	6.292	4,719,203

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Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
April 2006

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>
243813	04/01/2006	04/30/2006	150,000	6.316	947,460
Total Short Term(Monthly Index)			150,000	6.313	947,460

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for July 2006.

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 July 2006.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for July 2006.

Schedule F-1 shows the forecast of gas purchases for July 2006 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
July 2006

Line	Description	Units	Forecast June 26, 2006
1	AECO Monthly Index	TJ	1,621
2	AECO Daily Index	TJ	342
3	Other	TJ	16
	Total	TJ	1,978

June 26, 2006

Schedule F-2 shows the forecast of the unit gas prices for July 2006.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
July 2006

Line	Description	UNIT	Forecast June 26, 2006
1	AECO Monthly Index	\$/GJ	5.6913
2	AECO Daily Index (1)	\$/GJ	5.7670

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including June 23, 2006 on the AECO/NGX Intra-Alberta July (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the July, AECO/NGX Intra-Alberta Settlement prices on June 19, 20, 21, 22 & 23, 2006.

In order to zero the forecast balance of the DGA on July 31, 2006, a GCFR of \$5.882 /GJ for DERS Rate 1 & 3 Gas Customers and a GCFR of \$5.499/GJ for DERS Rate 5 Gas Customers should be implemented on July 01, 2006. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION**

July 2006				
Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(141)
2	2005 Energy Related Deferral Cost Recovery	\$,000	Appendix A, Line 5	846
3	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	11,484
4	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 15, Column E	0
5	Excess System Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
6	Penalty Revenue Estimate	\$,000	Schedule M-1, Line 17, Column E	116
7	Net Monthly Gas Cost Recovery	\$,000	Line 3 less Lines 1 - 2 less Lines 4 - 6	10,663
8	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	1,962
9	GCFR excluding 2005 Deferral Cost Recovery	\$/GJ	Line 7 divided by Line 8	5.435
DERS GCFR for Rates 1 & 3				
10	DERS Rates 1 & 3 Sales Forecast	TJ	Appendix A, Line 1	1,879
11	2005 Energy Related Deferral Cost Recovery	\$,000	Appendix A, Line 3	840
12	Impact to rate of 2005 Deferral Cost Recovery	\$/GJ	Line 11 divided by Line 10	0.447
13	GCFR excluding 2005 Deferral Cost Recovery	\$/GJ	Line 9	5.435
14	GCFR for Rates 1 & 3	\$/GJ	Line 13 plus line 12	5.882
DERS GCFR for Rate 5				
15	DERS Rate 5 Sales Forecast	TJ	Appendix A, Line 2	83
16	2005 Energy Related Deferral Cost Recovery	\$,000	Appendix A, Line 4	5
17	Impact to rate of 2005 Deferral Cost Recovery	\$/GJ	Line 16 divided by Line 15	0.064
18	GCFR excluding 2005 Deferral Cost Recovery	\$/GJ	Line 9	5.435
19	GCFR for Rate 5	\$/GJ	Line 17 plus line 18	5.499

SPECIAL NOTES

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

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

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Supply Sources	Security Type	Credit Charge (bp)	March Payable	April Payable	May Payable	June Payable	July Payable	Actual Apr-06	Estimate May-06	Estimate Jun-06	Forecast Jul-06
(SOUTH)											
ATCO Gas Supply Contracts											
Acclaim Energy Partnership	N/A		19,235	5,938	6,011	4,053	0				
ATCO	PCG	40.0	53,186	48,585	48,264	49,324	0	31	29	30	16
Enerplus Resources Corporation	N/A		8,027	4,687	4,686	2,640	0				
Linray Energy Inc.	N/A		5,576	5,337	0	0	0				
Shell Canada Limited	PCG	40.0	11,722,046	8,530,515	8,699,220	7,169,445	0	6,277	5,182	4,891	2,390
Forecast (with credit support)	PCG	40.0	0	0	0	0	7,851,148	0	0	0	2,181
Forecast (without credit support)			0	0	0	0	88,215				
Sub Total			11,808,070	8,595,062	8,758,181	7,225,462	7,939,363	6,308	5,211	4,921	4,587
DEML Supply Contracts											
Counterparty 1	PCG	40.0	638,454	51,039	170,733	0	0	227	63	57	0
Counterparty 2	PCG	40.0	6,470,012	190,293	0	0	0	2,210	63	0	0
Counterparty 3	PCG	40.0	2,131,281	1,032,332	79,766	178,858	0	997	366	76	60
Counterparty 4	PCG	40.0	7,120,099	475,300	424,744	402,525	0	2,505	273	253	134
Counterparty 5	PCG	40.0	8,737,163	2,530,275	1,214,867	70,593	0	3,615	1,170	425	24
Counterparty 6	PCG	40.0	0	894,784	690,199	418,560	0	249	484	346	140
Counterparty 7	PCG	40.0	427,274	744,867	53,623	0	0	349	263	18	0
Counterparty 8	N/A		0	457,356	99,292	381,769	0				
Counterparty 9	PCG	40.0	344,634	947,460	0	0	0	378	316	0	0
Counterparty 10	PCG	40.0	239,834	256,368	272,982	28,685	0	151	159	99	10
Counterparty 11	PCG	40.0	7,187,176	5,649,760	1,957,390	442,721	0	3,965	2,409	775	148
Counterparty 12	PCG	40.0	164,275	82,921	67,250	0	0	78	46	22	0
Counterparty 13	PCG	40.0	3,840,797	17,108	0	0	0	1,285	6	0	0
Counterparty 14	PCG	40.0	308,730	0	0	0	0	103	0	0	0
Counterparty 15	PCG	40.0	3,096,030	0	108,292	0	0	1,032	29	36	0
Counterparty 16	PCG	40.0	0	4,603	0	0	0	1	2	0	0
Counterparty 99	PCG	40.0	0	0	0	1,149,040	0	0	0	319	383
Forecast (with credit support)	PCG	40.0	0	0	0	0	2,752,823	0	0	0	765
Sub Total			40,705,759	13,334,466	5,139,138	3,072,751	2,752,823	17,145	5,649	2,426	1,664
Natural Gas Exchange											
Forecast	N/A		9,111,424	6,947,165	3,020,417	1,811,065	0				
Sub Total			9,111,424	6,947,165	3,020,417	1,811,065	590,983				
Required LC											
Required LC	L/C	37.5	40,000,000	25,000,000	25,000,000	20,000,000	15,000,000	7,813	7,813	7,813	5,938
PCG to Bank to Support LC	PCG	40.0	40,000,000	25,000,000	25,000,000	20,000,000	15,000,000	8,219	8,493	6,575	5,096
Sub Total								16,032	16,306	14,388	11,034
TOTAL			61,625,253	28,876,693	16,917,736	12,109,278	11,283,169	39,485	27,166	21,735	17,285

Footnotes:

* 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.

***The letter of credit to the Natural Gas Exchange was decreased to \$50,000,000 on April 1, to \$40,000,000 on June 1, and it will be further reduced to \$30,000,000 on July 1, 2006. Effective March 13, the letter of credit charges were reduced to 37.5 basis points.

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**APPENDIX A
2005 ENERGY- RELATED DEFERRAL COST RECOVERY
MONTHLY ALLOCATION BY ESTIMATED CONSUMPTION**

Total Deferral Cost Approved For Recovery

\$3,119,030

Actual Consumption 2005 (TJ)	Rates 1 & 3	Rate 5	Total
January	14,029.22	-	14,029.22
February	9,851.71	-	9,851.71
March	8,866.60	-	8,866.60
April	5,549.79	0.05	5,549.85
May	3,635.86	65.75	3,701.61
June	2,986.11	58.04	3,044.16
July	2,075.64	105.10	2,180.74
August	2,550.91	78.54	2,629.45
September	3,669.17	25.20	3,694.38
October	5,583.95	5.84	5,589.79
November	7,361.39	0.03	7,361.42
December	9,384.19	-	9,384.19
Total Consumption 2005	75,544.55	338.56	75,883.11
Percentage	99.55%	0.45%	100.00%

Allocation by Rate Class	Rates 1 & 3	Rates 5	Total
	\$ 3,105,114	\$ 13,916	\$ 3,119,030

Forecast Consumption 2006 (TJ)	July 2006	August 2006	September 2006	Total
1 Rates 1 & 3	1,878.62	1,892.50	3,170.40	6,941.52
2 Rate 5	83.48	75.00	59.00	217.48
	1,962.10	1,967.50	3,229.40	7,159.00

Prorated Charges Based on Consumption	July 2006	August 2006	September 2006	Total
3 Rates 1 & 3	\$ 840,352	\$ 846,563	\$ 1,418,200	\$ 3,105,115
4 Rate 5	\$ 5,342	\$ 4,799	\$ 3,775	\$ 13,916
5 Total	\$ 845,694	\$ 851,362	\$ 1,421,975	\$ 3,119,031

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