

May 25, 2007

Alberta Energy and Utilities Board
10th 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 June 2007**

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 June 2007 for the service territory of ATCO Gas South. The GCFR Rate Schedule attached indicates a rate applicable for ATCO Gas South customers of \$6.607 per GJ.

Additional price and weather data relating to the April and May 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 or Sarah Puddicombe at 403-290-6851.

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 2003-106
Effective June 1, 2007
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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 June 1, 2007 to June 30, 2007

\$6.607 per GJ