

Electronic Notification

February 27, 2006

Ms. Corinne Grudecki
Senior Analyst
Government and Regulatory Affairs Western Region
Direct Energy Marketing Limited
1000-111 5 AVE SW
CALGARY AB T2P 3Y6

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS) – SOUTH
GAS COST FLOW-THROUGH RATE (GCFR)
MONTH OF MARCH 2006
APPLICATION 1448373**

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 February 22, 2006, in which it has requested a GCFR of \$5.098 per gigajoule (GJ), for customers served in the ATCO Gas South (AGS) service territory, to be effective during the month of March 2006.

The Board has reviewed the filing and accepts that DERS determined the above noted GCFR 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 AGS in Decision 2002-034, dated March 21, 2002 and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the Board acknowledges that, as set out in DERS's Rider "F" for the ATCO Gas South Service Territory, for the period March 1, 2006 to March 31, 2006 the GCFR of \$5.098/GJ is appropriate to be applied to all energy sold to customers served under Rates G1, G3 and G5.

March is normally the month for reconciliation of certain actual energy-related costs with those used in the monthly GCFR forecasts for the prior calendar year, as provided in Decision 2003-106. By letter dated February 16, 2006 DERS requested postponement of the reconciliation pending the disposition of its Application No.1399611, which is presently being reviewed by the Board. As the Decision for this Application could affect the reconciliation, the request was accepted by the Board. As proposed by DERS, any adjustments arising from the reconciliation will be included with GCFR filings over the period from June 1, 2006 to September 30, 2006.

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 GCFR requested by DERS.

Yours truly,



Laurie J. Bayda
Customer Service Manager
Utilities Branch

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