

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 **\$9.149/GJ** for Direct Energy Regulated Services (DERS) gas customers for March 2007.

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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 February 22, 2007.

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 March 31, 2007, a GCFR of **\$9.149/GJ** should be implemented for DERS Gas Customers on March 01, 2007.

**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 Dec-06	Estimate Jan-07	Estimate Feb-07	Forecast Mar-07
1	Opening Cumulative DGA Balance	\$,000	(11,105)	(12,511)	2,625	5,085	(16,005)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	77,142	88,231	100,533	74,491
3	Daily Trade Averaging Adjustment	\$,000	0	(8)	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(29)	4,469	(4)	7	0
6	Total Gas Supply Costs	\$,000	(29)	81,603	88,228	100,541	74,491
<u>Adjustments</u>							
7	Transportation	\$,000	0	64	89	111	103
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement and Portfolio Management	\$,000	(5)	28	28	28	28
10	Bad Debts	\$,000	1,916	162	165	161	162
11	DGA Balance Carrying Costs	\$,000	173	20	20	19	20
12	Credit Charge	\$,000	0	68	59	63	59
13	Net Gas Costs	\$,000	2,055	81,945	88,588	100,923	74,862
<u>Recoveries</u>							
14	Calendar Sales	\$,000	1,572	94,550	87,358	78,621	90,729
15	Transportation Imbalance Sales	\$,000	0	1	0	0	0
16	Excess System Sales	\$,000	0	2,392	3,549	1,076	0
17	Penalty Revenue	\$,000	(922)	138	140	137	138
18	Total Recoveries	\$,000	650	97,081	91,048	79,834	90,867
19	Current DGA Balance	\$,000	(1,405)	15,136	2,460	(21,089)	16,005
20	Closing Cumulative DGA Balance	\$,000	(12,511)	2,625	5,085	(16,005)	0

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

Line	Description	Units	A Actual Dec-06	B Estimate Jan-07	C Estimate Feb-07	D Forecast Mar-07
<u>Gas Supply Costs</u>						
1	Purchases	TJ	10,655	13,000	13,684	10,053
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	641	0	0	0
4	Total Energy	TJ	11,295	13,000	13,684	10,053
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	Net Energy	TJ	11,295	13,000	13,684	10,053
<u>Recoveries</u>						
7	Calendar Sales	TJ	11,422	11,704	13,341	9,916
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	370	549	142	0
10	Total Recoveries	TJ	11,792	12,253	13,483	9,916
11	DGA UFG	TJ	496	(747)	(201)	(137)

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for December 2006 as of November 24, 2006 and February 22, 2007 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

December 2006

Line	Description	Units	Forecast Nov 24, 2006	Actual Feb 22, 2007	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	98,818	77,142	(21,676)
2	Daily Trade Averaging Adjustment	\$,000	0	(8)	(8)
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	4,469	4,469
5	Total Gas Supply Costs	\$,000	98,818	81,603	(17,215)
	<u>Adjustments</u>				
6	Transportation	\$,000	96	64	(32)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement and Portfolio Management	\$,000	28	28	0
9	Bad Debts	\$,000	164	162	(2)
10	DGA Balance Carrying Costs	\$,000	20	20	0
11	Credit Charge	\$,000	70	68	(2)
12	Net Gas Costs	\$,000	99,196	81,945	(17,251)
	<u>Recoveries</u>				
13	Sales	\$,000	107,895	94,550	(13,345)
14	Transportation Imbalance Sales	\$,000	0	1	1
15	Excess System Sales	\$,000	0	2,392	2,392
16	Penalty Revenue	\$,000	139	138	(1)
17	Total Recoveries	\$,000	108,034	97,081	(10,953)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for December 2006 as of November 24, 2006 and February 22, 2007. It also shows the normal and actual degree days for December 2006.

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

Line	Description	Units	Forecast Nov 24, 2006	Actual Feb 22, 2007	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	13,214	10,655	(2,560)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	641	641
<hr/>					
4	Total Energy	TJ	13,214	11,295	(1,919)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	Net Energy	TJ	13,214	11,295	(1,919)
<u>Recoveries</u>					
7	Calendar Sales	TJ	13,034	11,422	(1,612)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	370	370
<hr/>					
10	Total Recoveries	TJ	13,034	11,792	(1,242)
<hr/>					
11	DGA UFG	TJ	(180)	496	677
12	Degree Days	DD	700	608	(92)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for December 2006 as of February 22, 2007.

SCHEDULE R-3
ACTUAL GAS PURCHASES
December 2006

Line	Description	Units	Actual February 22, 2007
1	ON-System ATCO Supplies	\$,000	41,225
2		TJ	5,581
3		\$/GJ	7.387
4	Nova Inventory Transfer Supplies	\$,000	35,920
5		TJ	5,073
6		\$/GJ	7.080
7	Total Purchases	\$,000	77,145
8		TJ	10,654
9		\$/GJ	7.241

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO North gas components for December 2006 as of February 22, 2007.

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

	December 2006	Actual February 22, 2007	
Line	Description	Units	
1	Long Term Indexed	\$,000	4,577
2		TJ	672
3		\$/GJ	6.814
4	Total Long Term	\$,000	4,577
5		TJ	672
6		\$/GJ	6.814
7	Short Term (Monthly Index)	\$,000	31,434
8		TJ	4,154
9		\$/GJ	7.567
10	Short Term (Daily Index)	\$,000	5,214
11		TJ	755
12		\$/GJ	6.902
13	Total Short Term	\$,000	36,648
14		TJ	4,909
15		\$/GJ	7.465
16	Total ON-System ATCO Supplies	\$,000	41,225
17		TJ	5,581
18		\$/GJ	7.387

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SECTION 5
RECONCILIATION MONTH SCHEDULES

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for December 2006 as of February 22, 2007.

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

Line	Description	December 2006	Actual February 22, 2007
		Units	
1	Long Term Indexed	\$,000	318
2		TJ	42
3		\$/GJ	7.519
4	Total Long Term	\$,000	318
5		TJ	42
6		\$/GJ	7.519
7	Short Term (Monthly Index)	\$,000	13,773
8		TJ	1,825
9		\$/GJ	7.547
10	Short Term (Daily Index)	\$,000	21,830
11		TJ	3,206
12		\$/GJ	6.809
13	Total Short Term	\$,000	35,602
14		TJ	5,031
15		\$/GJ	7.077
16	Total Nova Inventory Transfer Supplies	\$,000	35,920
17		TJ	5,073
18		\$/GJ	7.080

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Schedule R-6 shows the forecast and actual unit gas prices for December 2006 as of November 24, 2006 and February 22, 2007 respectively.

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

Line	Description	Units	Forecast November 24, 2006	Actual February 22, 2007	Actual less Forecast
1	AECO Monthly Index	\$/GJ	7.3983	7.5189	0.1206
2	AECO Daily INDEX	\$/GJ	7.5656	6.8080	(0.7576)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including [November 23, 2006](#) on the AECO/NGX Intra-Alberta December (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 November 30, 2006 on the AECO/NGX Intra-Alberta December (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the December, AECO/NGX Intra-Alberta Settlement prices on [November 17, 20, 21, 22 & 23, 2006](#).
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in December, 2006 as reported by NGX and includes all weekend deals.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-7 shows the actual contract storage and transportation costs for December 2006 as of February 22, 2007.

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
December 2006

Line	Description	Units	Actual Feb 22, 2007
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	58
3	Transportation -- AP FSR	\$,000	6
	Total		64

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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 N - Actual Spot Gas Purchases by Trade Day

December 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	(25,000)	7.9225	(198,062.50)	7.6392	95,000	8.0837	0	0.0000	767,950.00	7.9225
2	(16,000)	7.6559	(122,494.40)	7.5967	40,000	7.9600	0	0.0000	318,400.00	7.6559
4	0	0.0000	0.00	7.0931	23,000	7.4526	40,000	7.4439	469,165.00	7.4395
5	0	0.0000	0.00	7.0673	20,000	7.1575	0	0.0000	143,150.00	7.1357
6	15,000	7.2667	109,000.00	7.2479	74,000	7.1253	0	0.0000	527,275.00	7.1204
7	80,000	7.2371	578,965.00	7.2354	0	0.0000	0	0.0000	0.00	7.2319
8	0	0.0000	0.00	6.8959	15,000	7.2300	123,000	7.2364	998,526.00	7.2284
9	(9,000)	6.5600	(59,040.00)	6.7724	20,000	7.2400	0	0.0000	144,800.00	6.9226
10	0	0.0000	0.00	6.7584	50,000	7.2680	0	0.0000	363,400.00	6.9281
11	0	0.0000	0.00	7.0888	0	0.0000	15,000	6.8820	103,230.00	6.8795
12	(10,000)	7.0941	(70,941.00)	7.2812	75,000	7.0680	0	0.0000	530,100.00	7.0941
13	0	0.0000	0.00	7.2784	0	0.0000	42,000	7.2825	305,864.40	7.2828
14	(23,500)	7.2871	(171,246.85)	6.8510	38,000	7.2463	70,000	7.2859	785,369.50	7.2871
15	(33,700)	6.8693	(231,495.41)	6.7522	101,000	6.8941	105,000	6.9574	1,426,832.00	6.8693
16	(22,300)	6.8374	(152,474.02)	6.9097	0	0.0000	0	0.0000	0.00	6.8374
18	0	0.0000	0.00	6.5593	80,000	6.7263	0	0.0000	538,100.00	6.7462
19	0	0.0000	0.00	6.6269	50,000	6.5980	26,000	6.5870	501,162.20	6.5897
20	(27,000)	6.6360	(179,172.00)	6.4428	70,000	6.6321	23,000	6.6296	616,730.50	6.6360
21	(35,000)	6.4343	(225,200.50)	6.3854	87,000	6.4159	0	0.0000	558,180.00	6.4343
22	(15,000)	6.0554	(90,830.50)	5.9341	285,000	6.3667	0	0.0000	1,814,500.00	6.3361
23	(35,000)	5.8827	(205,894.50)	5.8247	0	0.0000	0	0.0000	0.00	5.8827
24	(28,500)	5.8480	(166,668.00)	5.9228	0	0.0000	0	0.0000	0.00	5.8480
25	(64,600)	5.8516	(378,014.00)	5.8679	0	0.0000	0	0.0000	0.00	5.9575
26	(25,000)	5.6080	(140,200.00)	5.5961	13,000	6.0000	0	0.0000	78,000.00	5.9581
27	40,000	5.9575	238,300.00	5.9518	30,000	5.6983	14,000	5.6654	250,265.60	5.6704
28	7,000	5.7543	40,280.00	5.7291	10,000	5.8900	20,000	5.9220	177,340.00	5.9220

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10,000	5.8750	58,750.00
(217,600)		(1,366,438.68)

5.8107

TOTALS

135,000	5.7533	0	0.0000	776,700.00
1,311,000		478,000		12,195,040.20

5.6801

Schedule R 10 B N - Actual Spot Gas Purchases by Trade Day

December 2006

Direct Energy Marketing Limited

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
22	0	0.0000	0.00	5.9341	112,500	6.2702	0	0.0000	705,400.00	6.3361
	0		0.00	TOTALS	112,500		0		705,400.00	

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Schedule R 10 C N - Actual Spot Gas Purchases by Trade Day
December 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	120,000	8.0891	970,692.00	7.9225
4	0	0.0000	0.00	0.0000	0	0.0000	45,000	7.5145	338,152.50	7.4395
5	0	0.0000	0.00	0.0000	0	0.0000	15,000	7.2007	108,010.50	7.1357
6	0	0.0000	0.00	0.0000	0	0.0000	30,000	7.1879	215,637.00	7.1204
8	0	0.0000	0.00	0.0000	0	0.0000	21,000	7.3120	153,552.00	7.2284
11	12,000	7.0800	84,960.00	0.0000	0	0.0000	15,000	6.9420	104,130.00	6.8795
12	0	0.0000	0.00	0.0000	0	0.0000	21,000	7.1591	150,341.10	7.0941
13	0	0.0000	0.00	0.0000	0	0.0000	13,000	7.3509	95,561.40	7.2828
14	0	0.0000	0.00	0.0000	0	0.0000	18,000	7.3571	132,427.80	7.2871
15	0	0.0000	0.00	0.0000	0	0.0000	111,000	7.0231	779,561.40	6.8693
17	0	0.0000	0.00	0.0000	0	0.0000	5,000	7.0224	35,112.00	6.9372
18	0	0.0000	0.00	0.0000	0	0.0000	9,000	6.8137	61,323.30	6.7462
19	0	0.0000	0.00	0.0000	0	0.0000	10,000	6.6447	66,447.00	6.5897
20	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.6971	154,033.00	6.6360
21	0	0.0000	0.00	0.0000	0	0.0000	10,000	6.4943	64,943.00	6.4343
22	0	0.0000	0.00	0.0000	0	0.0000	160,000	6.3736	1,019,768.00	6.3361
27	0	0.0000	0.00	0.0000	0	0.0000	27,000	5.7223	154,500.80	5.6704
28	0	0.0000	0.00	0.0000	0	0.0000	63,400	5.8347	369,919.80	5.9220
29	0	0.0000	0.00	0.0000	0	0.0000	27,000	5.7340	154,818.00	5.6801
	12,000		84,960.00	TOTALS	0		743,400		5,128,930.60	

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

December 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	360,000	8.0391	2,894,076	7.9225
4	0	0.0000	0	7.4395
16	250,000	6.9824	1,745,600	6.8374
17	25,000	7.0124	175,310	6.9372
18	0	0.0000	0	6.7462
22	50,000	6.3611	318,055	6.3361
23	60,000	6.3498	380,988	5.8827
24	150,000	6.3498	952,470	5.8480
27	0	0.0000	0	5.6704
28	70,000	5.9470	416,290	5.9220
29	300,000	5.7546	1,726,380	5.6801
TOTALS	1,265,000		8,609,169	

Schedule R 10 I N - Long Term & Short Term Purchases
December 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>
180887	12/01/2006	12/31/2006	17,050	7.529	128,368
183216	12/01/2006	12/31/2006	2,447	6.730	16,468
183217	12/01/2006	12/31/2006	53,019	6.730	356,807
183218	12/01/2006	12/31/2006	16,059	6.769	108,706
183219	12/01/2006	12/31/2006	563,899	6.795	3,831,718
185435	12/01/2006	12/31/2006	2,328	7.469	17,388
185506	12/01/2006	12/31/2006	16,858	6.967	117,451
Total Long Term Indexed			671,660	6.814	4,576,905
278942	12/01/2006	12/31/2006	620,000	7.524	4,664,886
278946	12/01/2006	12/31/2006	310,000	7.572	2,347,357
279105	12/01/2006	12/31/2006	465,000	7.539	3,505,589
280657	12/01/2006	12/31/2006	930,000	7.579	7,048,377
280959	12/01/2006	12/31/2006	930,000	7.579	7,048,377
285546	12/01/2006	12/31/2006	155,000	7.594	1,177,055
286964	12/01/2006	12/31/2006	744,000	7.584	5,642,422
Total Short Term(Monthly Index)			4,154,000	7.567	31,434,062

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Schedule R 10 J N - Long Term & Short Term(Monthly Index) Purchases

December 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>
180944	12/01/2006	12/31/2006	42,253	7.519	317,696
Total Long Term Indexed			42,253	7.519	317,696
276508	12/01/2006	12/31/2006	620,000	7.526	4,666,368
280554	12/01/2006	12/31/2006	310,000	7.526	2,333,184
285428	12/01/2006	12/31/2006	620,000	7.526	4,666,368
295463	12/01/2006	12/31/2006	275,000	7.661	2,106,898
Total Short Term(Monthly Index)			1,825,000	7.547	13,772,818

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SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for March 2007.

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 March 2007.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for March 2007.

Schedule F-1 shows the forecast of gas purchases for March 2007 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
March 2007

Line	Description	Units	Forecast February 22, 2007
1	AECO Monthly Index	TJ	4,529
2	AECO Daily Index	TJ	5,462
3	Other	TJ	62
	Total	TJ	10,053

February 22, 2007

Schedule F-2 shows the forecast of the unit gas prices for March 2007.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
March 2007

Line	Description	UNIT	Forecast February 22, 2007
1	AECO Monthly Index	\$/GJ	7.4283
2	AECO Daily Index (1)	\$/GJ	7.3938

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including February 21, 2007 on the AECO/NGX Intra-Alberta March (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the March, AECO/NGX Intra-Alberta Settlement prices on February 14, 15, 16, 20 & 21, 2007.

In order to zero the forecast balance of the DGA on March 31, 2007, a GCFR of \$9.149/GJ should be implemented on March 01, 2007. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

March 2007

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(16,005)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	74,862
3	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 15, Column E	0
4	Excess System Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
5	Penalty Revenue Estimate	\$,000	Schedule M-1, Line 17, Column E	138
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	90,729
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	9,916
8	GCFR	\$/GJ	Line 6 divided by Line 7	9.149

SPECIAL NOTES

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

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

February 22, 2007

Supply Sources	Security Type	Credit Charge (bp)	November Payable	December Payable	January Payable	February Payable	March Payable	Actual Dec-06	Estimate Jan-07	Estimate Feb-07	Forecast Mar-07
(NORTH)											
ATCO Gas Supply Contracts											
Advantage Oil & Gas Ltd.	N/A		120,516	128,368	118,092	105,835	0				
ATCO	PCG	40.0	16,581	17,388	4,257	3,815	0	10	2	2	1
Husky Energy	PCG	40.0	8,820	0	0	0	0	3	0	0	0
Keyspan	N/A		141,360	108,706	127,165	30,389	0				
Pan-Alberta Gas Ltd.	N/A		119,489	117,451	127,728	19,215	0				
Paramount Energy Ltd	N/A		433,848	373,275	394,282	87,688	0				
Suncor Energy Marketing Inc.	PCG	40.0	4,725,327	4,149,414	4,607,331	5,546,119	0	2,690	2,672	3,085	1,702
Forecast (with credit support)	PCG	40.0	0	0	0	0	(46,055)	0	0	0	0
Forecast (without credit support)			0	0	0	0	506,610				
Sub Total			5,565,941	4,894,602	5,378,855	5,793,061	460,555	2,703	2,674	3,087	1,703
DEML Supply Contracts											
Counterparty 1	PCG	40.0	0	0	3,220,683	0	0	0	882	1,094	0
Counterparty 2	PCG	40.0	6,288,615	9,605,703	8,990,713	6,873,547	0	4,699	5,727	4,938	2,109
Counterparty 3	PCG	40.0	10,413,566	9,004,170	7,317,912	9,367,777	0	5,891	5,064	5,053	2,874
Counterparty 4	PCG	40.0	3,650,709	364,988	1,021,653	152,328	0	1,300	404	389	47
Counterparty 5	PCG	40.0	77,350	0	165,000	0	0	25	45	56	0
Counterparty 6	N/A		36,542	(1,755,330)	(1,583,092)	96,649	0				
Counterparty 7	PCG	40.0	2,872,935	3,505,589	3,225,333	2,890,608	0	1,905	2,075	1,888	887
Counterparty 8	PCG	40.0	14,228,888	5,350,404	9,146,695	9,087,816	0	6,144	4,324	5,597	2,789
Counterparty 9	PCG	40.0	221,051	263,871	0	0	0	145	90	0	0
Counterparty 10	PCG	40.0	17,704,380	22,048,599	18,917,567	15,538,155	0	11,861	12,673	10,684	4,768
Counterparty 11	PCG	40.0	660,250	581,175	130,400	810,750	0	376	233	266	249
Counterparty 12	PCG	40.0	185,750	0	0	0	0	61	0	0	0
Counterparty 13	PCG	40.0	13,754,885	8,191,483	19,574,998	16,679,712	0	6,766	8,146	11,220	5,118
Counterparty 99	PCG	40.0	0	0	0	14,872,500	0	0	0	4,075	4,564
Forecast (with credit support)	PCG	40.0	0	0	0	0	61,914,485	0	0	0	16,963
Sub Total			70,094,921	57,160,652	70,127,862	76,369,842	61,914,485	39,173	39,663	45,260	40,368
Natural Gas Exchange	N/A		17,356,495	12,697,890	9,230,314	17,294,839	0				
Forecast			0	0	0	0	12,116,131				
Sub Total			17,356,495	12,697,890	9,230,314	17,294,839	12,116,131				
Required LC	L/C	37.5	25,000,000	40,000,000	25,000,000	25,000,000	25,000,000	12,740	7,962	7,192	7,962
PCG to Bank to Support LC	PCG	40.0	25,000,000	40,000,000	25,000,000	25,000,000	25,000,000	13,589	8,493	7,671	8,493
Sub Total								26,329	16,455	14,863	16,455
TOTAL			93,017,357	74,753,144	84,737,031	99,457,742	74,491,171	68,205	58,792	63,210	58,526

Footnote:

*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.

February 22, 2007

