

**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 **\$9.171/GJ** for Direct Energy Regulated Services (DERS) gas customers for March 2007.

**1 DGA COST AND RECOVERY OVERVIEW**

Schedule M-1: Monthly DGA Costs and Recoveries  
Schedule M-2: Monthly DGA Energy Balance  
Any special notes as required

**2 RECONCILIATION MONTH SCHEDULES**

Schedule R-1: Forecast and Actual DGA Costs and Recoveries  
Schedule R-2: DGA Energy Balance and Degree Days  
Schedule R-3: Actual Gas Purchases  
Schedule R-4: Actual Gas Purchases - ON - System ATCO South Supplies  
Schedule R-5: Actual Gas Purchases - Nova Inventory Transfer Supplies  
Schedule R-6: Forecast and Actual Unit Gas Prices  
Schedule R-7: Transportation and Storage Costs  
Schedule R-10: Actual Gas Purchases - Details  
Any special notes as required

**3 FORECAST MONTH SCHEDULES**

Schedule F-1: Forecast Gas Purchases  
Schedule F-2: Forecast Unit Gas Prices  
Schedule F-3: Gas Cost Flow Through Rate Derivation  
Any special notes as required

**4 OTHER SCHEDULES**

Schedule C-1: Cost of Credit Support

**5 APPENDIX**

As Applicable

## **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 **\$9.171/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<br>Period<br>Adjustment | Actual<br>Dec-06 | Estimate<br>Jan-07 | Estimate<br>Feb-07 | Forecast<br>Mar-07 |
| 1                              | Opening Cumulative DGA Balance        | \$,000 | (10,746)                         | (11,614)         | (5,016)            | (6,536)            | (14,153)           |
| <b><u>Gas Supply Costs</u></b> |                                       |        |                                  |                  |                    |                    |                    |
| 2                              | Purchases                             | \$,000 | 0                                | 62,719           | 71,377             | 78,361             | 62,066             |
| 3                              | Daily Trade Averaging Adjustment      | \$,000 | 0                                | (3)              | 0                  | 0                  | 0                  |
| 4                              | Storage                               | \$,000 | 0                                | 0                | 0                  | 0                  | 0                  |
| 5                              | Imbalances                            | \$,000 | 30                               | 4,442            | 2                  | 5                  | 0                  |
| 6                              | <b>Total Gas Supply Costs</b>         | \$,000 | 30                               | 67,157           | 71,379             | 78,367             | 62,066             |
| <b><u>Adjustments</u></b>      |                                       |        |                                  |                  |                    |                    |                    |
| 7                              | Transportation                        | \$,000 | 0                                | 42               | 61                 | 66                 | 58                 |
| 8                              | TCPL (AB) Fuel Recovery               | \$,000 | 0                                | 0                | 0                  | 0                  | 0                  |
| 9                              | Procurement and Portfolio Management  | \$,000 | (4)                              | 28               | 28                 | 28                 | 28                 |
| 10                             | Bad Debts                             | \$,000 | 1,483                            | 127              | 124                | 128                | 127                |
| 11                             | DGA Balance Carrying Costs            | \$,000 | 138                              | 15               | 15                 | 15                 | 15                 |
| 12                             | Credit Charge                         | \$,000 | 0                                | 60               | 50                 | 54                 | 52                 |
| 13                             | <b>Net Gas Costs</b>                  | \$,000 | 1,648                            | 67,430           | 71,656             | 78,658             | 62,346             |
| <b><u>Recoveries</u></b>       |                                       |        |                                  |                  |                    |                    |                    |
| 14                             | Calendar Sales                        | \$,000 | 1,602                            | 73,626           | 68,647             | 69,903             | 76,391             |
| 15                             | Transportation Imbalance Sales        | \$,000 | 0                                | 0                | 0                  | 0                  | 0                  |
| 16                             | Excess System Sales                   | \$,000 | 0                                | 294              | 1,385              | 1,030              | 0                  |
| 17                             | Penalty Revenue                       | \$,000 | (822)                            | 108              | 105                | 109                | 108                |
| 18                             | <b>Total Recoveries</b>               | \$,000 | 780                              | 74,028           | 70,137             | 71,041             | 76,499             |
| 19                             | Current DGA Balance                   | \$,000 | (868)                            | 6,598            | (1,520)            | (7,617)            | 14,153             |
| 20                             | <b>Closing Cumulative DGA Balance</b> | \$,000 | (11,614)                         | (5,016)          | (6,536)            | (14,153)           | 0                  |

February 22, 2007

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

| Line                           | Description                    | Units | A<br>Actual<br>Dec-06 | B<br>Estimate<br>Jan-07 | C<br>Estimate<br>Feb-07 | D<br>Forecast<br>Mar-07 |
|--------------------------------|--------------------------------|-------|-----------------------|-------------------------|-------------------------|-------------------------|
| <b><u>Gas Supply Costs</u></b> |                                |       |                       |                         |                         |                         |
| 1                              | Purchases                      | TJ    | 8,651                 | 10,552                  | 10,634                  | 8,376                   |
| 2                              | Storage                        | TJ    | 0                     | 0                       | 0                       | 0                       |
| 3                              | Imbalances                     | TJ    | 641                   | 0                       | 0                       | 0                       |
| 4                              | <b>Total Energy</b>            | TJ    | <b>9,292</b>          | <b>10,552</b>           | <b>10,634</b>           | <b>8,376</b>            |
| <b><u>Adjustments</u></b>      |                                |       |                       |                         |                         |                         |
| 5                              | TCPL (AB) Fuel Recovery        | TJ    | 0                     | 0                       | 0                       | 0                       |
| 6                              | <b>Net Energy</b>              | TJ    | <b>9,292</b>          | <b>10,552</b>           | <b>10,634</b>           | <b>8,376</b>            |
| <b><u>Recoveries</u></b>       |                                |       |                       |                         |                         |                         |
| 7                              | Calendar Sales                 | TJ    | 8,945                 | 9,307                   | 10,438                  | 8,330                   |
| 8                              | Transportation Imbalance Sales | TJ    | 0                     | 0                       | 0                       | 0                       |
| 9                              | Excess System Sales            | TJ    | 51                    | 218                     | 138                     | 0                       |
| 10                             | <b>Total Recoveries</b>        | TJ    | <b>8,996</b>          | <b>9,525</b>            | <b>10,576</b>           | <b>8,330</b>            |
| 11                             | <b>DGA UFG</b>                 | TJ    | (296)                 | (1,027)                 | (58)                    | (46)                    |

**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<br>Nov 24,<br>2006 | Actual<br>Feb 22,<br>2007 | Actual<br>less<br>Forecast |
|------|--------------------------------------|---------------|-----------------------------|---------------------------|----------------------------|
|      | <b><u>Gas Supply Costs</u></b>       |               |                             |                           |                            |
| 1    | Purchases                            | \$,000        | 75,082                      | 62,719                    | (12,363)                   |
| 2    | Daily Trade Averaging Adjustment     | \$,000        | 0                           | (3)                       | (3)                        |
| 3    | Storage                              | \$,000        | 0                           | 0                         | 0                          |
| 4    | Imbalances                           | \$,000        | 0                           | 4,442                     | 4,442                      |
| 5    | <b>Total Gas Supply Costs</b>        | <b>\$,000</b> | <b>75,082</b>               | <b>67,157</b>             | <b>(7,924)</b>             |
|      | <b><u>Adjustments</u></b>            |               |                             |                           |                            |
| 6    | Transportation                       | \$,000        | 60                          | 42                        | (18)                       |
| 7    | TCPL (AB) Fuel Recovery              | \$,000        | 0                           | 0                         | 0                          |
| 8    | Procurement and Portfolio Management | \$,000        | 28                          | 28                        | 0                          |
| 9    | Bad Debts                            | \$,000        | 125                         | 127                       | 2                          |
| 10   | DGA Balance Carrying Costs           | \$,000        | 15                          | 15                        | 0                          |
| 11   | Credit Charge                        | \$,000        | 61                          | 60                        | 0                          |
| 12   | <b>Net Gas Costs</b>                 | <b>\$,000</b> | <b>75,371</b>               | <b>67,430</b>             | <b>(7,941)</b>             |
|      | <b><u>Recoveries</u></b>             |               |                             |                           |                            |
| 13   | Sales                                | \$,000        | 82,109                      | 73,626                    | (8,483)                    |
| 14   | Transportation Imbalance Sales       | \$,000        | 0                           | 0                         | 0                          |
| 15   | Excess System Sales                  | \$,000        | 0                           | 294                       | 294                        |
| 16   | Penalty Revenue                      | \$,000        | 107                         | 108                       | 1                          |
| 17   | <b>Total Recoveries</b>              | <b>\$,000</b> | <b>82,216</b>               | <b>74,028</b>             | <b>(8,188)</b>             |

February 22, 2007

**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<br>Nov 24,<br>2006 | Actual<br>Feb 22,<br>2007 | Actual<br>less<br>Forecast |
|--------------------------------|--------------------------------|-------|-----------------------------|---------------------------|----------------------------|
| <b><u>Gas Supply Costs</u></b> |                                |       |                             |                           |                            |
| 1                              | Purchases                      | TJ    | 10,042                      | 8,651                     | (1,391)                    |
| 2                              | Storage                        | TJ    | 0                           | 0                         | 0                          |
| 3                              | Imbalances                     | TJ    | 0                           | 641                       | 641                        |
| <hr/>                          |                                |       |                             |                           |                            |
| 4                              | <b>Total Energy</b>            | TJ    | <b>10,042</b>               | <b>9,292</b>              | <b>(750)</b>               |
| <b><u>Adjustments</u></b>      |                                |       |                             |                           |                            |
| 5                              | TCPL (AB) Fuel Recovery        | TJ    | 0                           | 0                         | 0                          |
| <hr/>                          |                                |       |                             |                           |                            |
| 6                              | <b>Net Energy</b>              | TJ    | <b>10,042</b>               | <b>9,292</b>              | <b>(750)</b>               |
| <b><u>Recoveries</u></b>       |                                |       |                             |                           |                            |
| 7                              | Calendar Sales                 | TJ    | 9,975                       | 8,945                     | (1,030)                    |
| 8                              | Transportation Imbalance Sales | TJ    | 0                           | 0                         | 0                          |
| 9                              | Excess System Sales            | TJ    | 0                           | 51                        | 51                         |
| <hr/>                          |                                |       |                             |                           |                            |
| 10                             | <b>Total Recoveries</b>        | TJ    | <b>9,975</b>                | <b>8,996</b>              | <b>(979)</b>               |
| <hr/>                          |                                |       |                             |                           |                            |
| 11                             | <b>DGA UFG</b>                 | TJ    | <b>(67)</b>                 | <b>(296)</b>              | <b>(230)</b>               |
| 12                             | Degree Days                    | DD    | 665                         | 538                       | (127)                      |

February 22, 2007

**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**

| <b>Line</b> | <b>Description</b>               | <b>Units</b> | <b>Actual<br/>February 22,<br/>2007</b> |
|-------------|----------------------------------|--------------|---|
| 1           | ON-System ATCO Supplies          | \$,000       | 22,144                                  |
| 2           |                                  | TJ           | 2,979                                   |
| 3           |                                  | \$/GJ        | 7.434                                   |
| 4           | Nova Inventory Transfer Supplies | \$,000       | 40,588                                  |
| 5           |                                  | TJ           | 5,674                                   |
| 6           |                                  | \$/GJ        | 7.153                                   |
| 7           | Total Purchases                  | \$,000       | 62,732                                  |
| 8           |                                  | TJ           | 8,653                                   |
| 9           |                                  | \$/GJ        | 7.250                                   |

---

February 22, 2007

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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

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

|             | <b>December 2006</b>          | <b>Actual<br/>February 22,<br/>2007</b> |        |
|-------------|-------------------------------|---|--------|
| <b>Line</b> | <b>Description</b>            | <b>Units</b>                            |        |
| 1           | Long Term Indexed             | \$,000                                  | 12,101 |
| 2           |                               | TJ                                      | 1,609  |
| 3           |                               | \$/GJ                                   | 7.519  |
| 4           | Total Long Term               | \$,000                                  | 12,101 |
| 5           |                               | TJ                                      | 1,609  |
| 6           |                               | \$/GJ                                   | 7.519  |
| 7           | Short Term (Monthly Index)    | \$,000                                  | 7,610  |
| 8           |                               | TJ                                      | 1,008  |
| 9           |                               | \$/GJ                                   | 7.553  |
| 10          | Short Term (Daily Index)      | \$,000                                  | 2,433  |
| 11          |                               | TJ                                      | 362    |
| 12          |                               | \$/GJ                                   | 6.725  |
| 13          | Total Short Term              | \$,000                                  | 10,043 |
| 14          |                               | TJ                                      | 1,369  |
| 15          |                               | \$/GJ                                   | 7.334  |
| 16          | Total ON-System ATCO Supplies | \$,000                                  | 22,144 |
| 17          |                               | TJ                                      | 2,979  |
| 18          |                               | \$/GJ                                   | 7.434  |

February 22, 2007

**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**

|             |  | <b>December 2006</b> | <b>Actual<br/>February 22,<br/>2007</b> |
|-------------|--|----------------------|---|
| <b>Line</b> | <b>Description</b>                     | <b>Units</b>         |   |
| 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               | 24,271                                  |
| 8           |  | TJ                   | 3,220                                   |
| 9           |  | \$/GJ                | 7.538                                   |
| 10          | Short Term (Daily Index)               | \$,000               | 16,317                                  |
| 11          |  | TJ                   | 2,454                                   |
| 12          |  | \$/GJ                | 6.649                                   |
| 13          | Total Short Term                       | \$,000               | 40,588                                  |
| 14          |  | TJ                   | 5,674                                   |
| 15          |  | \$/GJ                | 7.153                                   |
| 16          | Total Nova Inventory Transfer Supplies | \$,000               | 40,588                                  |
| 17          |  | TJ                   | 5,674                                   |
| 18          |  | \$/GJ                | 7.153                                   |

February 22, 2007

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

---

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<br>November 24,<br>2006 | Actual<br>February 22,<br>2007 | Actual<br>less<br>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.

---

February 22, 2007

**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**

| <b>Line</b> | <b>Description</b>       | <b>Units</b> | <b>Actual<br/>Feb 22, 2007</b> |
|-------------|--------------------------|--------------|--------------------------------|
| 1           | Contract Storage         | \$,000       | 0                              |
| 2           | Transportation -- AP OPR | \$,000       | 39                             |
| 3           | Transportation -- AP FSR | \$,000       | 1                              |
| 4           | Transportation -- Other  | \$,000       | 1                              |
|             | Total                    |              | 42                             |

---

February 22, 2007

**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**

**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        | 0             | 0.0000    | 0             | 0.0000    | 0.00         | 7.9225     |
| 2   | 16,000         | 7.6559 | 122,494.40   | 7.5967        | 10,000        | 7.9600    | 0             | 0.0000    | 79,600.00    | 7.6559     |
| 5   | 0              | 0.0000 | 0.00         | 7.0673        | 64,000        | 7.1419    | 40,000        | 7.1357    | 742,508.00   | 7.1357     |
| 6   | 50,000         | 7.2528 | 362,640.00   | 7.2479        | 30,000        | 7.1108    | 0             | 0.0000    | 213,325.00   | 7.1204     |
| 9   | 0              | 0.0000 | 0.00         | 6.7724        | 60,000        | 7.2375    | 0             | 0.0000    | 434,250.00   | 6.9226     |
| 12  | 10,000         | 7.0941 | 70,941.00    | 7.2812        | 30,000        | 7.0767    | 0             | 0.0000    | 212,300.00   | 7.0941     |
| 13  | 0              | 0.0000 | 0.00         | 7.2784        | 0             | 0.0000    | 35,000        | 7.2806    | 254,820.50   | 7.2828     |
| 14  | 23,500         | 7.2871 | 171,246.85   | 6.8510        | 0             | 0.0000    | 50,000        | 7.2901    | 364,505.00   | 7.2871     |
| 15  | 33,700         | 6.8693 | 231,495.41   | 6.7522        | 55,000        | 6.8745    | 0             | 0.0000    | 378,100.00   | 6.8693     |
| 16  | 22,300         | 6.8374 | 152,474.02   | 6.9097        | 81,600        | 6.8559    | 0             | 0.0000    | 559,442.00   | 6.8374     |
| 17  | 75,000         | 6.7654 | 507,406.00   | 6.7666        | 46,000        | 6.9748    | 20,000        | 6.9372    | 459,584.00   | 6.9372     |
| 18  | 0              | 0.0000 | 0.00         | 6.5593        | 40,000        | 6.7650    | 15,000        | 6.7329    | 371,593.00   | 6.7462     |
| 19  | 0              | 0.0000 | 0.00         | 6.6269        | 0             | 0.0000    | 25,000        | 6.5875    | 164,687.50   | 6.5897     |
| 20  | 53,000         | 6.5468 | 346,982.00   | 6.4428        | 43,000        | 6.6313    | 5,000         | 6.6260    | 318,275.00   | 6.6360     |
| 21  | 35,000         | 6.4343 | 225,200.50   | 6.3854        | 26,500        | 6.4200    | 0             | 0.0000    | 170,130.00   | 6.4343     |
| 22  | 5,000          | 6.3361 | 31,680.50    | 5.9341        | 75,000        | 6.3573    | 0             | 0.0000    | 476,800.00   | 6.3361     |
| 23  | 35,000         | 5.8827 | 205,894.50   | 5.8247        | 40,000        | 6.3400    | 0             | 0.0000    | 253,600.00   | 5.8827     |
| 24  | 28,500         | 5.8480 | 166,668.00   | 5.9228        | 0             | 0.0000    | 0             | 0.0000    | 0.00         | 5.8480     |
| 25  | (30,000)       | 5.8467 | (175,400.00) | 5.8679        | 0             | 0.0000    | 0             | 0.0000    | 0.00         | 5.9575     |
| 26  | (20,000)       | 5.5675 | (111,350.00) | 5.5961        | 0             | 0.0000    | 0             | 0.0000    | 0.00         | 5.9581     |
| 27  | 60,000         | 5.9400 | 356,400.00   | 5.9518        | 30,000        | 5.6167    | 0             | 0.0000    | 168,500.00   | 5.6704     |
| 28  | 85,000         | 5.7491 | 488,675.00   | 5.7291        | 10,000        | 5.9000    | 15,000        | 5.9220    | 147,830.00   | 5.9220     |
| 29  | 70,000         | 5.8505 | 409,532.00   | 5.8107        | 10,000        | 5.7300    | 22,000        | 5.6801    | 182,262.20   | 5.6801     |
| 30  | 0              | 0.0000 | 0.00         | 5.8249        | 13,000        | 6.0000    | 0             | 0.0000    | 78,000.00    | 5.8505     |
|     | 577,000        |        | 3,761,042.68 | <b>TOTALS</b> | 664,100       |           | 227,000       |           | 6,030,112.20 |            |

February 22, 2007

**Schedule R 10 B S - 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       | <b>TOTALS</b> | 112,500       |           | 0             |           | 705,400.00 |            |

**Schedule R 10 C S - 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    | 27,000        | 7.7617    | 209,565.09   | 7.9225     |
| 4   | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 16,500        | 7.4745    | 123,329.25   | 7.4395     |
| 5   | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 14,000        | 7.1657    | 100,319.80   | 7.1357     |
| 6   | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 14,500        | 7.1554    | 103,753.30   | 7.1204     |
| 11  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 5,000         | 6.9095    | 34,547.50    | 6.8795     |
| 12  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 20,500        | 7.1181    | 145,921.55   | 7.0941     |
| 13  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 8,700         | 7.3078    | 63,577.86    | 7.2828     |
| 14  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 29,800        | 7.3159    | 218,014.58   | 7.2871     |
| 15  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 52,500        | 6.9810    | 366,501.00   | 6.8693     |
| 18  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 14,700        | 6.7599    | 99,371.14    | 6.7462     |
| 19  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 2,800         | 6.6047    | 18,493.16    | 6.5897     |
| 20  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 9,800         | 6.6550    | 65,218.80    | 6.6360     |
| 21  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 6,500         | 6.4320    | 41,807.95    | 6.4343     |
| 22  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 65,000        | 6.3365    | 411,874.50   | 6.3361     |
| 27  | 3,000          | 5.9100 | 17,730.00  | 0.0000        | 0             | 0.0000    | 22,600        | 5.6804    | 128,377.04   | 5.6704     |
| 28  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 27,000        | 5.9287    | 160,074.00   | 5.9220     |
| 29  | 0              | 0.0000 | 0.00       | 0.0000        | 0             | 0.0000    | 21,900        | 5.6890    | 124,589.10   | 5.6801     |
|     | 3,000          |        | 17,730.00  | <b>TOTALS</b> | 0             |           | 358,800       |           | 2,415,335.62 |            |

February 22, 2007

**Schedule R 10 G S - 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             | 240,000       | 8.0391        | 1,929,384  | 7.9225     |
| 4             | 0             | 0.0000        | 0          | 7.4395     |
| 16            | 100,000       | 6.9824        | 698,240    | 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            | 40,000        | 6.3498        | 253,992    | 5.8827     |
| 24            | 150,000       | 6.3498        | 952,470    | 5.8480     |
| 27            | 0             | 0.0000        | 0          | 5.6704     |
| 28            | 30,000        | 5.9470        | 178,410    | 5.9220     |
| 29            | 300,000       | 5.7546        | 1,726,380  | 5.6801     |
| <b>TOTALS</b> | 935,000       |               | 6,232,241  |            |

Schedule R 10 I S - 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>      |
|--|-------------|------------|-------------------|--------------|-------------------|
| 180893                                 | 12/01/2006  | 12/31/2006 | 1,596,500         | 7.519        | 12,003,924        |
| 180946                                 | 12/01/2006  | 12/31/2006 | 1,275             | 7.394        | 9,427             |
| 185436                                 | 12/01/2006  | 12/31/2006 | 10,148            | 7.469        | 75,794            |
| 263586                                 | 12/01/2006  | 12/31/2006 | 1,571             | 7.642        | 12,005            |
| <b>Total Long Term Indexed</b>         |             |            | <b>1,609,494</b>  | <b>7.519</b> | <b>12,101,151</b> |
| 276440                                 | 12/01/2006  | 12/31/2006 | 155,000           | 7.549        | 1,170,080         |
| 276639                                 | 12/01/2006  | 12/31/2006 | 155,000           | 7.549        | 1,170,080         |
| 280962                                 | 12/01/2006  | 12/31/2006 | 310,000           | 7.549        | 2,340,159         |
| 283748                                 | 12/01/2006  | 12/31/2006 | 77,500            | 7.544        | 584,652           |
| 286965                                 | 12/01/2006  | 12/31/2006 | 310,000           | 7.564        | 2,344,809         |
| <b>Total Short Term(Monthly Index)</b> |             |            | <b>1,007,500</b>  | <b>7.553</b> | <b>7,609,779</b>  |

February 22, 2007

Schedule R 10 J S - 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>      |
|--|-------------|------------|-------------------|--------------|-------------------|
| 283749                                 | 12/01/2006  | 12/31/2006 | 155,000           | 7.524        | 1,166,205         |
| 283972                                 | 12/01/2006  | 12/31/2006 | 310,000           | 7.524        | 2,332,409         |
| 285183                                 | 12/01/2006  | 12/31/2006 | 620,000           | 7.526        | 4,666,368         |
| 285278                                 | 12/01/2006  | 12/31/2006 | 620,000           | 7.526        | 4,666,368         |
| 285281                                 | 12/01/2006  | 12/31/2006 | 620,000           | 7.526        | 4,666,368         |
| 285282                                 | 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         |
| <b>Total Short Term(Monthly Index)</b> |             |            | <b>3,220,000</b>  | <b>7.538</b> | <b>24,270,983</b> |

**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**

| <b>Line</b> | <b>Description</b> | <b>Units</b> | <b>Forecast<br/>February 22,<br/>2007</b> |
|-------------|--------------------|--------------|---|
| 1           | AECO Monthly Index | TJ           | 3,987                                     |
| 2           | AECO Daily Index   | TJ           | 4,376                                     |
| 3           | Other              | TJ           | 12  |
|             | Total              | TJ           | 8,376                                     |

---

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**

| <b>Line</b> | <b>Description</b>   | <b>UNIT</b> | <b>Forecast<br/>February 22,<br/>2007</b> |
|-------------|----------------------|-------------|---|
| 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 \$9.171/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**

| <b>Line</b> | <b>Description</b>                      | <b>Units</b> | <b>Reference</b>                    | <b>Value</b> |
|-------------|---|--------------|-------------------------------------|--------------|
| 1           | Opening Cumulative DGA Balance          | \$,000       | Schedule M-1, Line 1, Column E      | (14,153)     |
| 2           | Net Gas Cost Estimate                   | \$,000       | Schedule M-1, Line 13, Column E     | 62,346       |
| 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     | 108          |
| 6           | Net Monthly Gas Cost Recovery           | \$,000       | Line 2 less Line 1 less Lines 3 - 5 | 76,391       |
| 7           | Forecast Monthly Sales                  | TJ           | Schedule M-2, Line 7, Column D      | 8,330        |
| 8           | GCFR                                    | \$/GJ        | Line 6 divided by Line 7            | 9.171        |

**SPECIAL NOTES**

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

|                |     |                            |
|----------------|-----|----------------------------|
| <b>LEGEND:</b> | 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 |
|-----------------------------------|---------------|--------------------|------------------|------------------|-----------------|------------------|---------------|---------------|-----------------|-----------------|-----------------|
| <b>(SOUTH)</b>                    |               |                    |                  |                  |                 |                  |               |               |                 |                 |                 |
| <b>ATCO Gas Supply Contracts</b>  |               |                    |                  |                  |                 |                  |               |               |                 |                 |                 |
| ATCO                              | PCG           | 40.0               | 46,250           | 75,794           | 64,920          | 58,178           | 0             | 36            | 14              | 38              | 18              |
| Canetic Resources Inc.            | N/A           |                    | 8,946            | 12,005           | 10,333          | 6,267            | 0             |               |                 |                 |                 |
| Enerplus Resources Corporation    | N/A           |                    | 7,075            | 9,427            | 8,299           | 5,848            | 0             |               |                 |                 |                 |
| Shell Canada Limited              | PCG           | 40.0               | 11,284,649       | 12,003,924       | 11,041,713      | 9,895,581        | 0             | 6,999         | 7,103           | 6,462           | 3,036           |
| Forecast (with credit support)    | PCG           | 40.0               | 0                | 0                | 0               | 0                | 11,859,281    | 0             | 0               | 0               | 3,249           |
| Forecast (without credit support) |               |                    | 0                | 0                | 0               | 0                | 92,111        |               |                 |                 |                 |
| <b>Sub Total</b>                  |               |                    | 11,346,920       | 12,101,150       | 11,125,265      | 9,965,874        | 11,951,392    | 7,035         | 7,117           | 6,500           | 6,303           |
| <b>DEML Supply Contracts</b>      |               |                    |                  |                  |                 |                  |               |               |                 |                 |                 |
| Counterparty 1                    | PCG           | 40.0               | 0                | 1,750,857        | 0               | 0                | 0             | 480           | 595             | 0               | 0               |
| Counterparty 2                    | PCG           | 40.0               | 0                | 4,666,368        | 0               | 0                | 0             | 1,278         | 1,585           | 0               | 0               |
| Counterparty 3                    | PCG           | 40.0               | 188,687          | 145,910          | 0               | 7,513            | 0             | 102           | 50              | 2               | 2               |
| Counterparty 4                    | PCG           | 40.0               | 10,377,027       | 3,565,717        | 9,191,432       | 10,138,713       | 0             | 4,389         | 3,730           | 5,900           | 3,111           |
| Counterparty 5                    | PCG           | 40.0               | 3,842,520        | 1,361,553        | 1,210,227       | 980,038          | 0             | 1,636         | 794             | 680             | 301             |
| Counterparty 6                    | N/A           |                    | (36,542)         | 1,755,330        | 1,139,342       | (96,649)         | 0             |               |                 |                 |                 |
| Counterparty 7                    | PCG           | 40.0               | 14,209           | 0                | 0               | 0                | 0             | 5             | 0               | 0               | 0               |
| Counterparty 8                    | PCG           | 40.0               | 14,455,177       | 4,267,639        | 7,222,287       | 9,706,335        | 0             | 5,922         | 3,429           | 5,113           | 2,978           |
| Counterparty 9                    | PCG           | 40.0               | 4,064,431        | 273,207          | 124,768         | 193,749          | 0             | 1,411         | 127             | 95              | 59              |
| Counterparty 10                   | PCG           | 40.0               | 4,045,108        | 4,914,634        | 5,163,332       | 4,615,466        | 0             | 2,676         | 3,084           | 3,019           | 1,416           |
| Counterparty 11                   | PCG           | 40.0               | 0                | 4,666,368        | 0               | 0                | 0             | 1,278         | 1,585           | 0               | 0               |
| Counterparty 12                   | PCG           | 40.0               | 0                | 0                | 19,720          | 0                | 0             | 0             | 5               | 7               | 0               |
| Counterparty 13                   | PCG           | 40.0               | 1,300,253        | 807,685          | 571,081         | 1,123,036        | 0             | 649           | 431             | 502             | 345             |
| Counterparty 14                   | PCG           | 40.0               | 154,200          | 4,666,368        | 4,490,819       | 763,825          | 0             | 1,329         | 2,816           | 1,735           | 234             |
| Counterparty 15                   | PCG           | 40.0               | 669,425          | 0                | 393,950         | 525,050          | 0             | 220           | 108             | 278             | 161             |
| Counterparty 16                   | PCG           | 40.0               | 11,063,758       | 7,112,543        | 19,344,713      | 17,068,712       | 0             | 5,586         | 7,716           | 11,248          | 5,238           |
| Counterparty 99                   | PCG           | 40.0               | 0                | 0                | 0               | 14,001,000       | 0             | 0             | 0               | 3,836           | 4,296           |
| Forecast (with credit support)    | PCG           | 40.0               | 0                | 0                | 0               | 0                | 40,407,229    | 0             | 0               | 0               | 11,070          |
| <b>Sub Total</b>                  |               |                    | 50,138,253       | 39,954,179       | 48,871,671      | 59,026,788       | 40,407,229    | 26,961        | 26,055          | 32,415          | 29,211          |
| <b>Natural Gas Exchange</b>       |               |                    |                  |                  |                 |                  |               |               |                 |                 |                 |
| Forecast                          | N/A           |                    | 9,880,726        | 10,383,046       | 9,992,310       | 8,338,849        | 0             |               |                 |                 |                 |
| <b>Sub Total</b>                  |               |                    | 9,880,726        | 10,383,046       | 9,992,310       | 8,338,849        | 9,707,180     |               |                 |                 |                 |
| 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           |
| <b>Sub Total</b>                  |               |                    |                  |                  |                 |                  |               | 26,329        | 16,455          | 14,863          | 16,455          |
| <b>TOTAL</b>                      |               |                    | 71,365,899       | 62,438,375       | 69,989,246      | 77,331,511       | 62,065,801    | 60,325        | 49,627          | 53,778          | 51,969          |

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

