

Electronic Notification

February 26, 2009

Direct Energy Marketing Limited
111 - 5 Avenue SW Suite 1000
Calgary AB T2P 3Y6

Attention: Ms. Ashley Preston
Analyst, Government and Regulatory Affairs, Canada West

**DIRECT ENERGY REGULATED SERVICES (DERS) – SOUTH
GAS COST FLOW-THROUGH RATE (GCFR)
MONTH OF MARCH 2009
APPLICATION NO. 1604822**

The Alberta Utilities Commission (AUC) has received the monthly GCFR filing, dated February 23, 2009, from DERS a Business Unit of Direct Energy Marketing Limited. DERS requested a GCFR of \$4.504 per gigajoule (GJ) for customers served in the ATCO Gas South service territory.

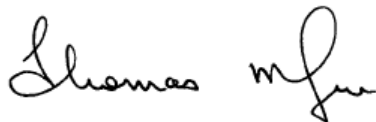
In Order U2008-374, dated December 11, 2008, the AUC approved for DERS on an interim basis, effective January 1, 2009, a return margin of \$0.0223/GJ. Unlike the GCFR, the return margin is not subject to deferral account treatment through DERS’s deferred gas account but is to be recovered with the GCFR through DERS’s Rate Rider “F”. For the month of March 2009, DERS included the following amounts in setting Rider “F” for customers served in the ATCO Gas South service territory:

	\$/GJ
GCFR	4.504
Reasonable return margin (rounded)	<u>0.022</u>
Rider “F”	<u>4.526</u>

AUC staff members have reviewed the filing and the AUC accepts that the GCFR represents a rate determined in accordance with the directions previously issued by the EUB to gas utilities in Decision 2001-75, dated October 30, 2001, and more specifically to ATCO Gas South in Decision 2002-034, dated March 21, 2002, and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the AUC acknowledges that for the period March 1, 2009 to

March 31, 2009, the GCFR of \$4.504/GJ is appropriate to be applied to all energy sold to customers served under Rates G1, G3 and G5 in DERS's ATCO Gas South service territory.

Similar to the direction in Decision 2001-75, a 30-day review period following the filing of each monthly GCFR is provided for parties to raise any concerns with the GCFR, price and volume forecasts, and prior period reconciliations. As DERS is the Default Supply Provider for ATCO Gas, the 30-day review period would be similarly applicable to the GCFRs requested by DERS.

A handwritten signature in black ink, appearing to read "Thomas McGee". The signature is written in a cursive style with a large initial "T" and a stylized "M".

Tom McGee
Commissioner