

**Electronic Notification**

April 27, 2006

Ms. Corinne Grudecki  
Manager  
Government and Regulatory Affairs  
Western Region  
Direct Energy Marketing Limited  
111 - 5 Avenue S.W. Suite 1000  
Calgary, Alberta T2P 3Y6

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS) – SOUTH  
GAS COST FLOW-THROUGH RATE (GCFR)  
MONTH OF MAY 2006  
APPLICATION 1457996**

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 April 24, 2006, in which it has requested a GCFR of \$5.919 per gigajoule (GJ), for customers served in the ATCO Gas South (AGS) service territory, to be effective during the month of May 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 May 1, 2006 to May 31, 2006 the GCFR of \$5.919/GJ is appropriate to be applied to all energy sold to customers served under Rates G1, G3 and G5.

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,

*<approved for distribution by>*

Wade Vienneau  
Manager – Calgary Office  
Utilities Branch

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