

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 \$4.456/GJ for Direct Energy Regulated Services (DERS) gas customers for May 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 April 24, 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 May 31, 2007, a GCFR of \$4.456/GJ should be implemented for DERS Gas Customers on May 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 Feb-07 | Estimate Mar-07 | Estimate Apr-07 | Forecast May-07 |
| 1 | Opening Cumulative DGA Balance | \$,000 | (1,253) | (1,131) | (7,817) | 10,707 | 9,593 |
| <u>Gas Supply Costs</u> | | | | | | | |
| 2 | Purchases | \$,000 | (5) | 79,047 | 45,850 | 47,035 | 25,511 |
| 3 | Daily Trade Averaging Adjustment | \$,000 | 0 | 0 | 0 | 0 | 0 |
| 4 | Storage | \$,000 | 0 | 0 | 0 | 0 | 0 |
| 5 | Imbalances | \$,000 | 6 | (5,414) | (17) | 25 | 0 |
| 6 | Total Gas Supply Costs | \$,000 | 1 | 73,633 | 45,833 | 47,059 | 25,511 |
| <u>Adjustments</u> | | | | | | | |
| 7 | Transportation | \$,000 | 0 | 56 | 29 | 74 | 37 |
| 8 | TCPL (AB) Fuel Recovery | \$,000 | 0 | 0 | 0 | 0 | 0 |
| 9 | Procurement | \$,000 | 0 | 28 | 28 | 28 | 28 |
| 10 | Bad Debts | \$,000 | 0 | 126 | 127 | 138 | 147 |
| 11 | DGA Balance | \$,000 | 0 | 15 | 15 | 17 | 18 |
| 12 | Credit Charge | \$,000 | 0 | 53 | 48 | 36 | 30 |
| 13 | Net Gas Costs | \$,000 | 1 | 73,911 | 46,081 | 47,352 | 25,770 |
| <u>Recoveries</u> | | | | | | | |
| 14 | Calendar Sales | \$,000 | 121 | 65,366 | 63,375 | 45,376 | 16,053 |
| 15 | Transportation Imbalance Sales | \$,000 | 3 | 20 | 0 | 0 | 0 |
| 16 | Excess System Sales | \$,000 | 0 | 1,732 | 1,122 | 745 | 0 |
| 17 | Penalty Revenue | \$,000 | 0 | 107 | 108 | 117 | 125 |
| 18 | Total Recoveries | \$,000 | 123 | 67,225 | 64,605 | 46,239 | 16,178 |
| 19 | Current DGA Balance | \$,000 | 122 | (6,686) | 18,524 | (1,113) | (9,593) |
| 20 | Closing Cumulative DGA Balance | \$,000 | (1,131) | (7,817) | 10,707 | 9,593 | 0 |

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

| Line | Description | Units | A Actual Feb-07 | B Estimate Mar-07 | C Estimate Apr-07 | D Forecast May-07 |
|--------------------------------|--------------------------------------|-------|-----------------------|-------------------------|-------------------------|-------------------------|
| <u>Gas Supply Costs</u> | | | | | | |
| 1 | Purchases | TJ | 10,736 | 6,307 | 6,560 | 3,623 |
| 2 | Storage | TJ | 0 | 0 | 0 | 0 |
| 3 | Imbalances | TJ | (432) | 0 | 0 | 0 |
| 4 | Total Energy | TJ | 10,304 | 6,307 | 6,560 | 3,623 |
| <u>Adjustments</u> | | | | | | |
| 5 | TCPL (AB) Fuel Recovery | TJ | 0 | 0 | 0 | 0 |
| 6 | Net Energy | TJ | 10,304 | 6,307 | 6,560 | 3,623 |
| <u>Recoveries</u> | | | | | | |
| 7 | Calendar Sales | TJ | 9,760 | 6,910 | 5,944 | 3,602 |
| 8 | Transportation Imbalance Sales | TJ | 2 | 0 | 0 | 0 |
| 9 | Excess System Sales | TJ | 232 | 164 | 101 | 0 |
| 10 | Total Recoveries | TJ | 9,994 | 7,075 | 6,045 | 3,602 |
| 11 | Load Balancing / UFG Estimate | TJ | (310) | 768 | (515) | (21) |

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for February 2007 as of January 25, 2007 and April 24, 2007 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

February 2007

| Line | Description | Units | Forecast January 25, 2007 | Actual April 24, 2007 | Actual less Forecast |
|--------------------------------|----------------------------------|---------------|---------------------------------|-----------------------------|----------------------------|
| <u>Gas Supply Costs</u> | | | | | |
| 1 | Purchases | \$,000 | 61,290 | 79,047 | 17,756 |
| 2 | Daily Trade Averaging Adjustment | \$,000 | 0 | 0 | 0 |
| 3 | Storage | \$,000 | 0 | 0 | 0 |
| 4 | Imbalances | \$,000 | 0 | (5,414) | (5,414) |
| 5 | Total Gas Supply Costs | \$,000 | 61,290 | 73,633 | 12,342 |
| <u>Adjustments</u> | | | | | |
| 6 | Transportation | \$,000 | 66 | 56 | (10) |
| 7 | TCPL (AB) Fuel Recovery | \$,000 | 0 | 0 | 0 |
| 8 | Procurement | \$,000 | 28 | 28 | 0 |
| 9 | Gas Supply - Related Bad Debts | \$,000 | 128 | 126 | (2) |
| 10 | DGA Balance | \$,000 | 15 | 15 | 0 |
| 11 | Credit Charge | \$,000 | 50 | 53 | 3 |
| 12 | Net Gas Costs | \$,000 | 61,578 | 73,911 | 12,333 |
| <u>Recoveries</u> | | | | | |
| 13 | Calendar Sales | \$,000 | 59,996 | 65,366 | 5,370 |
| 14 | Transportation Imbalance Sales | \$,000 | 0 | 20 | 20 |
| 15 | Excess System Sales | \$,000 | 0 | 1,732 | 1,732 |
| 16 | Penalty Revenue | \$,000 | 109 | 107 | (2) |
| 17 | Total Recoveries | \$,000 | 60,105 | 67,225 | 7,121 |

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for February 2007 as of January 25, 2007 and April 24, 2007. It also shows the normal and actual degree days for February 2007.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
February 2007

| Line | Description | Units | Forecast January 25, 2007 | Actual April 24, 2007 | Actual less Forecast |
|--------------------------------|--------------------------------------|-------|---------------------------------|-----------------------------|----------------------------|
| <u>Gas Supply Costs</u> | | | | | |
| 1 | Purchases | TJ | 9,012 | 10,736 | 1,724 |
| 2 | Storage | TJ | 0 | 0 | 0 |
| 3 | Imbalances | TJ | 0 | (432) | (432) |
| <hr/> | | | | | |
| 4 | Total Energy | TJ | 9,012 | 10,304 | 1,292 |
| <u>Adjustments</u> | | | | | |
| 5 | TCPL (AB) Fuel Recovery | TJ | 0 | 0 | 0 |
| <hr/> | | | | | |
| 6 | Net Energy | TJ | 9,012 | 10,304 | 1,292 |
| <u>Recoveries</u> | | | | | |
| 7 | Calendar Sales | TJ | 8,959 | 9,760 | 802 |
| 8 | Transportation Imbalance Sales | TJ | 0 | 2 | 2 |
| 9 | Excess System Sales | TJ | 0 | 232 | 232 |
| <hr/> | | | | | |
| 10 | Total Recoveries | TJ | 8,959 | 9,994 | 1,036 |
| <hr/> | | | | | |
| 11 | Load Balancing / UFG Estimate | TJ | (54) | (310) | (256) |
| 12 | Degree Days | DD | 584 | 660 | 76 |

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for February 2007 as of April 24, 2007.

SCHEDULE R-3
ACTUAL GAS PURCHASES
February 2007

| Line | Description | Units | Actual April 24, 2007 |
|-------------|----------------------------------|--------------|----------------------------------|
| 1 | ON-System ATCO Supplies | \$,000 | 19,735 |
| 2 | | TJ | 2,815 |
| 3 | | \$/GJ | 7.010 |
| 4 | Nova Inventory Transfer Supplies | \$,000 | 59,294 |
| 5 | | TJ | 7,918 |
| 6 | | \$/GJ | 7.489 |
| 7 | Total Purchases | \$,000 | 79,030 |
| 8 | | TJ | 10,733 |
| 9 | | \$/GJ | 7.363 |

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for February 2007 as of April 24, 2007.

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

| | | February 2007 | Actual April 24, 2007 |
|-------------|-------------------------------|----------------------|----------------------------------|
| Line | Description | Units | |
| 1 | Long Term Indexed | \$,000 | 9,959 |
| 2 | | TJ | 1,451 |
| 3 | | \$/GJ | 6.862 |
| 4 | Total Long Term | \$,000 | 9,959 |
| 5 | | TJ | 1,451 |
| 6 | | \$/GJ | 6.862 |
| 7 | Short Term (Monthly Index) | \$,000 | 5,790 |
| 8 | | TJ | 840 |
| 9 | | \$/GJ | 6.892 |
| 10 | Short Term (Daily Index) | \$,000 | 3,987 |
| 11 | | TJ | 524 |
| 12 | | \$/GJ | 7.608 |
| 13 | Total Short Term | \$,000 | 9,776 |
| 14 | | TJ | 1,364 |
| 15 | | \$/GJ | 7.167 |
| 16 | Total ON-System ATCO Supplies | \$,000 | 19,735 |
| 17 | | TJ | 2,815 |
| 18 | | \$/GJ | 7.010 |

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**SECTION 5
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for February 2007 as of April 24, 2007.

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

| | | February 2007 | Actual April 24, 2007 |
|-------------|--|----------------------|----------------------------------|
| Line | Description | Units | |
| 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 | 20,195 |
| 8 | | TJ | 2,765 |
| 9 | | \$/GJ | 7.304 |
| 10 | Short Term (Daily Index) | \$,000 | 39,099 |
| 11 | | TJ | 5,153 |
| 12 | | \$/GJ | 7.588 |
| 13 | Total Short Term | \$,000 | 59,294 |
| 14 | | TJ | 7,918 |
| 15 | | \$/GJ | 7.489 |
| 16 | Total Nova Inventory Transfer Supplies | \$,000 | 59,294 |
| 17 | | TJ | 7,918 |
| 18 | | \$/GJ | 7.489 |

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for February 2007 as of January 25, 2007 and April 24, 2007 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
February 2007

| Line | Description | Units | Forecast January 25, 2007 | Actual April 24, 2007 | Actual less Forecast |
|-------------|--------------------|--------------|--|--------------------------------------|-------------------------------------|
| 1 | AECO Monthly Index | \$/GJ | 6.6962 | 6.8624 | 0.1662 |
| 2 | AECO Daily INDEX | \$/GJ | 6.9002 | 7.4989 | 0.5987 |

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including January 24, 2007 on the AECO/NGX Intra-Alberta February (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 January 31, 2007 on the AECO/NGX Intra-Alberta February (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the February, AECO/NGX Intra-Alberta Settlement prices on January 18, 19, 22, 23 & 24, 2007.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in February, 2007 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 February 2007 as of April 24, 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
February 2007

| Line | Description | Units | Actual April 24, 2007 |
|-------------|--------------------------|--------------|----------------------------------|
| 1 | Contract Storage | \$,000 | 0 |
| 2 | Transportation -- AP OPR | \$,000 | 54 |
| 3 | Transportation -- AP FSR | \$,000 | 1 |
| 4 | Transportation -- Other | \$,000 | 1 |
| | Total | | 56 |

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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 S - Actual Spot Gas Purchases by Trade Day

February 2007

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 | 0 | 0.0000 | 0.00 | 7.5343 | 20,000 | 7.5675 | 10,000 | 7.5110 | 226,460.00 | 7.5110 |
| 2 | 0 | 0.0000 | 0.00 | 7.5035 | 73,800 | 7.5423 | 10,000 | 7.5239 | 631,863.50 | 7.5739 |
| 4 | (78,000) | 7.6271 | (594,917.30) | 7.6269 | 0 | 0.0000 | 0 | 0.0000 | 0.00 | 7.5953 |
| 5 | 0 | 0.0000 | 0.00 | 7.5902 | 60,000 | 7.7672 | 0 | 0.0000 | 466,030.00 | 7.7620 |
| 6 | 0 | 0.0000 | 0.00 | 7.7294 | 50,000 | 7.6330 | 15,000 | 7.6180 | 495,920.00 | 7.6155 |
| 7 | 50,000 | 7.7501 | 387,505.00 | 7.7972 | 46,000 | 7.7636 | 42,000 | 7.7527 | 682,739.20 | 7.7501 |
| 8 | 3,000 | 8.1200 | 24,360.00 | 8.2321 | 45,000 | 7.7978 | 10,000 | 7.9034 | 429,934.00 | 7.9009 |
| 9 | 0 | 0.0000 | 0.00 | 7.5688 | 170,900 | 7.7886 | 0 | 0.0000 | 1,331,080.00 | 7.7840 |
| 10 | 0 | 0.0000 | 0.00 | 7.2908 | 5,000 | 7.5550 | 0 | 0.0000 | 37,775.00 | 7.5746 |
| 11 | 35,000 | 7.4857 | 261,999.50 | 7.1394 | 0 | 0.0000 | 0 | 0.0000 | 0.00 | 7.4857 |
| 12 | 40,000 | 7.4806 | 299,225.00 | 7.4737 | 63,000 | 7.2902 | 0 | 0.0000 | 459,280.00 | 7.2807 |
| 13 | 34,500 | 11.9316 | 411,640.00 | 17.6374 | 54,000 | 7.4370 | 5,000 | 7.4826 | 439,013.00 | 7.4726 |
| 14 | 38,000 | 7.2500 | 275,500.00 | 7.1468 | 142,500 | 7.5682 | 0 | 0.0000 | 1,078,475.00 | 7.5600 |
| 15 | (40,000) | 7.1972 | (287,888.00) | 7.1969 | 85,000 | 7.2244 | 15,000 | 7.1947 | 721,995.50 | 7.1972 |
| 16 | 0 | 0.0000 | 0.00 | 7.2988 | 296,000 | 7.2974 | 0 | 0.0000 | 2,160,040.00 | 7.2984 |
| 19 | (20,000) | 7.3429 | (146,858.00) | 7.2175 | 25,500 | 7.3535 | 0 | 0.0000 | 187,515.00 | 7.3429 |
| 21 | 29,300 | 7.4524 | 218,355.50 | 7.4542 | 32,000 | 7.5644 | 0 | 0.0000 | 242,060.00 | 7.4923 |
| 22 | 23,000 | 7.4680 | 171,765.00 | 7.4656 | 55,000 | 7.5036 | 0 | 0.0000 | 412,700.00 | 7.4614 |
| 23 | (6,000) | 7.4730 | (44,838.00) | 7.4690 | 214,600 | 7.4688 | 0 | 0.0000 | 1,602,810.00 | 7.4730 |
| 24 | (18,000) | 7.5035 | (135,063.00) | 7.4661 | 0 | 0.0000 | 0 | 0.0000 | 0.00 | 7.5035 |
| 25 | (60,000) | 7.4929 | (449,574.00) | 7.5210 | 0 | 0.0000 | 0 | 0.0000 | 0.00 | 7.4929 |
| 26 | 32,000 | 7.3614 | 235,565.00 | 7.3567 | 0 | 0.0000 | 0 | 0.0000 | 0.00 | 7.5374 |
| 27 | 5,000 | 7.3200 | 36,600.00 | 7.2924 | 26,000 | 7.3535 | 8,900 | 7.3741 | 256,819.49 | 7.3741 |
| 28 | (10,000) | 7.2697 | (72,697.00) | 7.0628 | 93,000 | 7.2544 | 0 | 0.0000 | 674,655.00 | 7.2697 |
| | 57,800 | | 590,679.70 | TOTALS | 1,557,300 | | 115,900 | | 12,537,164.69 | |

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Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day

February 2007

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 | 27,700 | 7.5468 | 209,047.70 | 7.5110 |
| 2 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 46,800 | 7.6374 | 357,430.32 | 7.5739 |
| 5 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 22,500 | 7.8020 | 175,545.00 | 7.7620 |
| 6 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 29,200 | 7.6532 | 223,472.10 | 7.6155 |
| 7 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 36,300 | 7.7901 | 282,780.63 | 7.7501 |
| 8 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 39,800 | 7.9409 | 316,047.82 | 7.9009 |
| 9 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 85,800 | 7.8190 | 670,869.96 | 7.7840 |
| 12 | 2,000 | 7.3800 | 14,760.00 | 0.0000 | 0 | 0.0000 | 13,500 | 7.3192 | 98,809.45 | 7.2807 |
| 13 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 33,800 | 7.5175 | 254,089.88 | 7.4726 |
| 14 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 10,100 | 7.6000 | 76,760.00 | 7.5600 |
| 15 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 24,300 | 7.2372 | 175,863.96 | 7.1972 |
| 16 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 48,400 | 7.3360 | 355,062.40 | 7.2984 |
| 21 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 16,500 | 7.5223 | 124,117.95 | 7.4923 |
| 22 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 14,500 | 7.4964 | 108,697.80 | 7.4614 |
| 23 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 40,800 | 7.5056 | 306,228.48 | 7.4730 |
| 26 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 5,500 | 7.5774 | 41,675.70 | 7.5374 |
| 27 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 15,500 | 7.4141 | 114,918.55 | 7.3741 |
| 28 | 0 | 0.0000 | 0.00 | 0.0000 | 0 | 0.0000 | 11,000 | 7.3124 | 80,436.70 | 7.2697 |
| | 2,000 | | 14,760.00 | TOTALS | 0 | | 522,000 | | 3,971,854.40 | |

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

February 2007

PEAKING Demand Supply Contracts

Nova Inventory Transfer Supplies

| DAY | Index Related | Same Day (SD) | | AECO Daily |
|---------------|---------------|--------------------|------------------|----------------|
| | GJ's | Avg. Cost \$/GJ | Total Cost \$ | Index \$/GJ |
| 1 | 325,000 | 7.5822 | 2,464,223 | 7.5110 |
| 2 | 300,000 | 7.6362 | 2,290,845 | 7.5739 |
| 4 | 0 | 0.0000 | 0 | 7.5953 |
| 5 | 0 | 0.0000 | 0 | 7.7620 |
| 6 | 687,500 | 7.7117 | 5,301,778 | 7.6155 |
| 7 | 87,500 | 7.8453 | 686,466 | 7.7501 |
| 8 | 100,000 | 7.8975 | 789,745 | 7.9009 |
| 9 | 250,000 | 7.6664 | 1,916,595 | 7.7840 |
| 10 | 125,000 | 7.8072 | 975,900 | 7.5746 |
| 11 | 50,000 | 7.8312 | 391,560 | 7.4857 |
| 12 | 275,000 | 7.4413 | 2,046,348 | 7.2807 |
| 13 | 0 | 0.0000 | 0 | 7.4726 |
| 14 | 0 | 0.0000 | 0 | 7.5600 |
| 15 | 0 | 0.0000 | 0 | 7.1972 |
| 20 | 100,000 | 7.2749 | 727,490 | 7.2499 |
| 21 | 80,000 | 7.5173 | 601,384 | 7.4923 |
| 22 | 700,000 | 7.4644 | 5,225,070 | 7.4614 |
| 26 | 40,000 | 7.5899 | 303,596 | 7.5374 |
| 27 | 60,000 | 7.4266 | 445,596 | 7.3741 |
| 28 | 10,000 | 7.3197 | 73,197 | 7.2697 |
| TOTALS | 3,190,000 | | 24,239,792 | |

Schedule R 10 I S - Long Term & Short Term Purchases
February 2007

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> |
|--|-------------|------------|-------------------|--------------|------------------|
| 180946 | 02/01/2007 | 02/28/2007 | 1,137 | 6.737 | 7,660 |
| 180893 | 02/01/2007 | 02/28/2007 | 1,442,000 | 6.862 | 9,895,581 |
| 185436 | 02/01/2007 | 02/28/2007 | 6,842 | 6.789 | 46,451 |
| 263586 | 02/01/2007 | 02/28/2007 | 1,345 | 6.994 | 9,407 |
| Total Long Term Indexed | | | 1,451,324 | 6.862 | 9,959,100 |
| 280962 | 02/01/2007 | 02/28/2007 | 280,000 | 6.892 | 1,929,872 |
| 301588 | 02/01/2007 | 02/28/2007 | 280,000 | 6.892 | 1,929,872 |
| 276440 | 02/01/2007 | 02/28/2007 | 140,000 | 6.892 | 964,936 |
| 276639 | 02/01/2007 | 02/28/2007 | 140,000 | 6.892 | 964,936 |
| Total Short Term(Monthly Index) | | | 840,000 | 6.892 | 5,789,616 |

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Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
February 2007

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> |
|--|-------------|------------|-------------------|--------------|-------------------|
| 295463 | 02/01/2007 | 02/28/2007 | 1,645,000 | 7.597 | 12,497,756 |
| 295591 | 02/01/2007 | 02/28/2007 | 1,120,000 | 6.872 | 7,697,088 |
| Total Short Term(Monthly Index) | | | 2,765,000 | 7.304 | 20,194,844 |

SECTION 3
FORECAST MONTH SCHEDULES

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

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

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

| Line | Description | Units | Forecast April 24, 2007 |
|-------------|--------------------|--------------|------------------------------------|
| 1 | AECO Monthly Index | TJ | 1,358 |
| 2 | AECO Daily Index | TJ | 2,253 |
| 3 | Other | TJ | 12 |
| | Total | TJ | 3,623 |

April 24, 2007

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

SCHEDULE F-2
FORECAST UNIT GAS PRICES
May 2007

| Line | Description | UNIT | Forecast April 24, 2007 |
|-------------|----------------------|-------------|------------------------------------|
| 1 | AECO Monthly Index | \$/GJ | 7.1186 |
| 2 | AECO Daily Index (1) | \$/GJ | 6.9950 |

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including April 23, 2007 on the AECO/NGX Intra-Alberta May (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the May, AECO/NGX Intra-Alberta Settlement prices on April 17, 18, 19, 20 & 23, 2007.

In order to zero the forecast balance of the DGA on May 31, 2007, a GCFR of \$4.456/GJ should be implemented on May 01, 2007. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

May 2007

| Line | Description | Units | Reference | Value |
|-------------|---|--------------|-------------------------------------|--------------|
| 1 | Opening Cumulative DGA Balance | 9,593 | Schedule M-1, Line 1, Column E | |
| 2 | Net Gas Cost Estimate | \$,000 | Schedule M-1, Line 13, Column E | 25,770 |
| 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 | 125 |
| 6 | Net Monthly Gas Cost Recovery | \$,000 | Line 2 less Line 1 less Lines 3 - 5 | 16,053 |
| 7 | Forecast Monthly Sales | TJ | Schedule M-2, Line 7, Column D | 3,602 |
| 8 | GCFR | \$/GJ | Line 6 divided by Line 7 | 4.456 |

SPECIAL NOTES

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

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

April 24, 2007

| Supply Sources | Security Type | Credit Charge (bp) | January Payable | February Payable | March Payable | April Payable | May Payable | Actual Feb-07 | Estimate Mar-07 | Estimate Apr-07 | Forecast May-07 |
|-----------------------------------|---------------|--------------------|-----------------|------------------|---------------|---------------|-------------|---------------|-----------------|-----------------|-----------------|
| (SOUTH) | | | | | | | | | | | |
| ATCO Gas Supply Contracts | | | | | | | | | | | |
| ATCO | PCG | 40.0 | 54,387 | 46,451 | 69,722 | 63,573 | 0 | 31 | 33 | 41 | 21 |
| Canetic Resources Inc. | N/A | | 10,333 | 9,407 | 7,042 | 12,026 | 0 | | | | |
| Enerplus Resources Corporation | N/A | | 8,299 | 7,660 | 5,489 | 1,448 | 0 | | | | |
| Shell Canada Limited | PCG | 40.0 | 11,041,713 | 9,895,581 | 11,852,576 | 8,867,144 | 0 | 6,462 | 6,284 | 6,456 | 2,915 |
| Forecast (with credit support) | PCG | 40.0 | 0 | 0 | 0 | 0 | 9,202,214 | 0 | 0 | 0 | 2,521 |
| Forecast (without credit support) | | | 0 | 0 | 0 | 0 | 88,271 | | | | |
| Sub Total | | | 11,114,732 | 9,959,099 | 11,934,829 | 8,944,191 | 9,290,485 | 6,493 | 6,317 | 6,497 | 5,457 |
| DEML Supply Contracts | | | | | | | | | | | |
| Counterparty 1 | PCG | 40.0 | 0 | 116,638 | 0 | 228,651 | 0 | 32 | 36 | 63 | 75 |
| Counterparty 2 | PCG | 40.0 | 9,191,432 | 13,462,692 | 5,327,471 | 6,287,586 | 0 | 6,811 | 5,591 | 3,533 | 2,067 |
| Counterparty 3 | PCG | 40.0 | 1,210,227 | 1,053,538 | 1,329,736 | 1,099,322 | 0 | 700 | 688 | 753 | 361 |
| Counterparty 4 | PCG | 40.0 | 0 | 0 | 0 | 174,750 | 0 | 0 | 0 | 48 | 57 |
| Counterparty 5 | N/A | | 1,139,342 | (798,821) | 767,946 | 220,354 | 0 | | | | |
| Counterparty 6 | PCG | 40.0 | 7,222,287 | 13,220,529 | 2,546,702 | 7,193,809 | 0 | 6,076 | 4,754 | 2,836 | 2,365 |
| Counterparty 7 | PCG | 40.0 | 124,768 | 270,656 | 280,124 | 224,515 | 0 | 117 | 160 | 157 | 74 |
| Counterparty 8 | PCG | 40.0 | 5,163,332 | 4,880,285 | 3,794,087 | 1,155,276 | 0 | 3,091 | 2,537 | 1,605 | 380 |
| Counterparty 9 | PCG | 40.0 | 19,720 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 |
| Counterparty 10 | PCG | 40.0 | 571,081 | 1,482,703 | 1,824,591 | 53,325 | 0 | 600 | 955 | 634 | 18 |
| Counterparty 11 | PCG | 40.0 | 4,490,819 | 1,583,875 | 386,800 | 499,925 | 0 | 1,960 | 592 | 268 | 164 |
| Counterparty 12 | PCG | 40.0 | 393,950 | 634,550 | 578,950 | 587,600 | 0 | 308 | 353 | 358 | 193 |
| Counterparty 13 | PCG | 40.0 | 19,344,713 | 20,502,992 | 12,895,078 | 1,276,700 | 0 | 12,189 | 9,824 | 4,731 | 420 |
| Counterparty 99 | PCG | 40.0 | 0 | 0 | 0 | 7,296,124 | 0 | 0 | 0 | 1,999 | 2,399 |
| Forecast (with credit support) | PCG | 40.0 | 0 | 0 | 0 | 0 | 11,493,350 | 0 | 0 | 0 | 3,149 |
| Sub Total | | | 48,871,671 | 56,409,637 | 29,731,485 | 26,297,937 | 11,493,350 | 31,891 | 25,490 | 16,985 | 11,722 |
| Natural Gas Exchange | | | | | | | | | | | |
| Forecast | N/A | | 9,992,310 | 10,929,075 | 3,060,487 | 9,339,512 | 0 | | | | |
| Sub Total | | | 9,992,310 | 10,929,075 | 3,060,487 | 9,339,512 | 4,727,113 | | | | |
| Required LC | L/C | 37.5 | 25,000,000 | 25,000,000 | 25,000,000 | 20,000,000 | 20,000,000 | 7,192 | 7,962 | 6,164 | 6,370 |
| PCG to Bank to Support LC | PCG | 40.0 | 25,000,000 | 25,000,000 | 25,000,000 | 20,000,000 | 20,000,000 | 7,671 | 8,493 | 6,575 | 6,795 |
| Sub Total | | | | | | | | 14,863 | 16,455 | 12,739 | 13,165 |
| TOTAL | | | 69,978,713 | 77,297,811 | 44,726,801 | 44,581,640 | 25,510,948 | 53,247 | 48,262 | 36,221 | 30,344 |

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.

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DIRECT ENERGY REGULATED SERVICES SOUTH DGA

May 2007