

June 24, 2005

Alberta Energy and Utilities Board  
10<sup>th</sup> Floor, 10055 – 106 St.  
Edmonton, Alberta T5J 2Y2

**Attention: Becky Torrance  
Manager, Edmonton Office  
Utilities Branch**

Dear Ms. Torrance:

**Re: Direct Energy Regulated Services Gas Cost Flow-through Rates for ATCO  
Gas South Service Territory for July 2005**

Direct Energy Regulated Services (DERS) is filing with the Alberta Energy and Utilities Board (Board or EUB) a proposed Gas Cost Flow-through Rate (GCFR) for the month of July 2005 for the service territory of ATCO Gas South. The GCFR Rate Schedule attached indicates a rate applicable for the South Rate 1 and 3 customers of \$9.042 per GJ and a rate of \$8.614 for Rate 5 customers. The DGA package used to derive this rate is also attached.

DERS has included in Appendix A the derivation of the monthly amounts included in the July filing that relate to ATCO Gas' Imbalance and Production Adjustment Application 1347852. Additional price and weather data relating to the May and June 2005 period as well as some explanatory notes relating to the prior period adjustments have been included in the attached document titled Appendix B - South. DERS will forward Appendix B to the Board on Monday, June 27, 2005.

Should you require additional information please contact the undersigned at 403-290-4635.

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki  
Senior Analyst, Government & Regulatory Affairs, Western Region  
Direct Energy Marketing Limited  
*Direct Energy Regulated Services  
is a business unit of Direct Energy Marketing Limited*

Approved by Decision 2003-106  
Effective July 1, 2005  
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**DIRECT ENERGY REGULATED SERVICES  
Rider "F" GAS COST FLOW-THROUGH  
ATCO GAS SOUTH SERVICE TERRITORY**

**To be applied to all energy sold to customers served under Rates G1 and G3.**

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period July 1, 2005 to July 31, 2005 **\$9.042 per GJ**

**To be applied to all energy sold to customers served under Rate G5.**

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period July 1, 2005 to July 31, 2005 **\$8.614 per GJ**