

**Electronic Notification**

June 29, 2005

Ms. Corinne Grudecki  
Senior Analyst  
Government and Regulatory Affairs  
Western Region  
Direct Energy Marketing Limited  
111 - 5 Avenue S.W. Suite 1000  
CALGARY AB T2P 3Y6

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS) – SOUTH  
GAS COST FLOW-THROUGH RATE (GCFR)  
MONTH OF JULY 2005  
APPLICATION 1406700**

The Alberta Energy and Utilities Board (Board) is in receipt of the letter from DERS, a Business Unit of Direct Energy Marketing Limited, dated June 24, 2005, in which it has filed for a proposed GCFR of \$9.042 per gigajoule (GJ) for customers served under Rates G1 and G3, and a proposed GCFR of \$8.614/GJ for customers served under Rate G5. The proposed GCFRs apply to customers in the ATCO Gas South (AGS) service territory and are to be effective during the month of July 2005.

The Board has reviewed the filing, and accepts that the above noted GCFRs were determined 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. In a method agreed to by the Board in its letter to DERS, dated May 20, 2005, the GCFRs for the month include certain prorated amounts for imbalances adjustments approved for ATCO Gas in Decision 2005-036, dated April 28, 2005. The ultimate imbalances adjustments are subject to final approval by the Board of Application No. 1401921, a compliance filing made by ATCO Gas. Consequently, the Board acknowledges that, as set out in DERS's Rider "F" for the ATCO Gas South Service Territory:

- the GCFR of \$9.042/GJ is appropriate to be applied to all energy sold to customers served under Rates G1 and G3, and
- the GCFR of \$8.614/GJ is appropriate to be applied to all energy sold to customers served under Rate G5

for customers served by ATCO Gas and Pipelines Ltd. South for the period July 1, 2005 to July 31, 2005.

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,

A handwritten signature in cursive script that reads "B. Torrance".

B. Torrance  
Manager, Edmonton Office  
Utilities Branch

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