

August 25, 2006

Alberta Energy and Utilities Board
10th 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 September 2006**

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 September 2006 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 \$7.828 per GJ and a rate of \$7.472 for Rate 5 customers.

Additional price and weather data relating to the July and August 2006 period as well as some explanatory notes relating to the prior period adjustments and other items have been included in the attached document titled Appendix B - South. Detailed reconciliation schedules have also been included to reconcile trading days that included both a purchase and sale transaction.

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

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki
Manager, 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 September 1, 2006
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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 September 1, 2006 to September 30, 2006 **\$7.828 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 September 1, 2006 to September 30, 2006 **\$7.472 per GJ**