

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 \$5.098/GJ for Direct Energy Regulated Services (DERS) gas customers for March 2006.

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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 February 22, 2006.

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 March 31, 2006, a GCFR of \$5.098/GJ should be implemented for DERS Gas Customers on March 01, 2006.

**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 Dec-05	Estimate Jan-06	Estimate Feb-06	Forecast Mar-06
1	Opening Cumulative DGA Balance	\$,000	2,139	2,475	(19,679)	35,937	18,218
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	1	121,814	91,138	68,659	64,632
3	Daily Trade Averaging Adjustment	\$,000	0	3	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	1	(472)	0	0	0
6	Total Gas Supply Costs	\$,000	3	121,346	91,138	68,659	64,632
<u>Adjustments</u>							
7	Transportation	\$,000	1	77	50	56	36
8	TCPL (AB) Fuel Recovery	\$,000	0	(140)	0	0	0
9	Procurement and Portfolio Management	\$,000	0	29	29	29	29
10	Gas Supply - Related Bad Debts	\$,000	0	80	74	76	78
11	DGA Balance Carrying Costs	\$,000	0	(15)	(14)	(14)	(15)
12	Credit Charge	\$,000	0	118	119	69	64
13	Net Gas Costs	\$,000	4	121,494	91,396	68,874	64,824
<u>Recoveries</u>							
14	Calendar Sales	\$,000	340	93,641	144,380	50,982	46,427
15	Transportation Imbalance Sales	\$,000	0	3	0	0	0
16	Excess System Sales	\$,000	0	5,513	2,463	0	0
17	Penalty Revenue	\$,000	0	183	170	173	179
18	Total Recoveries	\$,000	340	99,340	147,013	51,155	46,606
19	Current DGA Balance	\$,000	336	(22,154)	55,616	(17,719)	(18,218)
20	Closing Cumulative DGA Balance	\$,000	2,475	(19,679)	35,937	18,218	0

February 22, 2006

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

Line	Description	Units	A Actual Dec-05	B Estimate Jan-06	C Estimate Feb-06	D Forecast Mar-06
<u>Gas Supply Costs</u>						
1	Purchases	TJ	10,937	8,956	9,190	9,192
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(122)	0	0	0
4	Total Energy	TJ	10,816	8,956	9,190	9,192
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	(14)	0	0	0
6	Net Energy	TJ	10,802	8,956	9,190	9,192
<u>Recoveries</u>						
7	Calendar Sales	TJ	10,710	9,256	9,078	9,107
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	499	292	0	0
10	Total Recoveries	TJ	11,209	9,548	9,078	9,107
11	DGA UFG	TJ	407	592	(112)	(85)

SPECIAL NOTES

INTRODUCTION

This section provides details of the Deferred Gas Account (DGA) components for December 2005.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for December 2005 as of November 24, 2005 and February 22, 2006 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

December 2005

Line	Description	Units	Forecast November 24, 2005	Actual February 22, 2006	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	118,441	121,814	3,373
2	Daily Trade Averaging Adjustment	\$,000	0	3	3
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(472)	(472)
5	Total Gas Supply Costs	\$,000	118,441	121,346	2,905
	<u>Adjustments</u>				
6	Transportation	\$,000	55	77	22
7	TCPL (AB) Fuel Recovery	\$,000	0	(140)	(140)
8	Procurement and Portfolio Management	\$,000	29	29	0
9	Gas Supply - Related Bad Debts	\$,000	75	80	5
10	DGA Balance Carrying Costs	\$,000	(14)	(15)	(1)
11	Credit Charge	\$,000	119	118	0
12	Net Gas Costs	\$,000	118,705	121,494	2,789
	<u>Recoveries</u>				
13	Sales	\$,000	99,593	93,641	(5,952)
14	Transportation Imbalance Sales	\$,000	0	3	3
15	Excess System Sales	\$,000	0	5,513	5,513
16	Penalty Revenue	\$,000	173	183	11
17	Total Recoveries	\$,000	99,766	99,340	(426)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for December 2005 as of November 24, 2005 and February 22, 2006. It also shows the normal and actual degree days for December 2005.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
December 2005

Line	Description	Units	Forecast November 24, 2005	Actual February 22, 2006	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	11,512	10,937	(575)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(122)	(122)
4	Total Energy	TJ	11,512	10,816	(697)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	(14)	(14)
6	Net Energy	TJ	11,512	10,802	(710)
<u>Recoveries</u>					
7	Calendar Sales	TJ	11,405	10,710	(695)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	499	499
10	Total Recoveries	TJ	11,405	11,209	(196)
11	DGA UFG	TJ	(107)	407	514
12	Degree Days	DD	663	615	(48)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for December 2005 as of February 22, 2006.

SCHEDULE R-3
ACTUAL GAS PURCHASES
December 2005

Line	Description	Units	Actual February 22, 2006
1	ON-System ATCO Supplies	\$,000	49,920
2		TJ	4,747
3		\$/GJ	10.515
4	Nova Inventory Transfer Supplies	\$,000	71,890
5		TJ	6,190
6		\$/GJ	11.614
7	Total Purchases	\$,000	121,810
8		TJ	10,937
9		\$/GJ	11.137

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for December 2005 as of February 22, 2006.

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

	December 2005	Actual February 22, 2006	
Line	Description	Units	
1	Long Term Indexed	\$,000	17,586
2		TJ	1,720
3		\$/GJ	10.227
4	Total Long Term	\$,000	17,586
5		TJ	1,720
6		\$/GJ	10.227
7	Short Term (Monthly Index)	\$,000	24,961
8		TJ	2,418
9		\$/GJ	10.323
10	Short Term (Daily Index)	\$,000	7,373
11		TJ	610
12		\$/GJ	12.091
13	Total Short Term	\$,000	32,334
14		TJ	3,028
15		\$/GJ	10.679
16	Total ON-System ATCO Supplies	\$,000	49,920
17		TJ	4,747
18		\$/GJ	10.515

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SECTION 5
RECONCILIATION MONTH SCHEDULES

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for December 2005 as of February 22, 2006.

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

		December 2005	Actual February 22, 2006
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	21,086
8		TJ	2,015
9		\$/GJ	10.464
10	Short Term (Daily Index)	\$,000	50,805
11		TJ	4,175
12		\$/GJ	12.170
13	Total Short Term	\$,000	71,890
14		TJ	6,190
15		\$/GJ	11.614
16	Total Nova Inventory Transfer Supplies	\$,000	71,890
17		TJ	6,190
18		\$/GJ	11.614

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for December 2005 as of November 24, 2005 and February 22, 2006 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
December 2005

Line	Description	Units	Forecast November 24, 2005	Actual February 22, 2006	Actual less Forecast
1	AECO Monthly Index	\$/GJ	10.2248	10.2158	(0.0090)
2	AECO Daily INDEX	\$/GJ	10.3568	11.5963	1.2395

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including November 23, 2005 on the AECO/NGX Intra-Alberta December (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 November 30, 2005 on the AECO/NGX Intra-Alberta December (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the December, AECO/NGX Intra-Alberta Settlement prices on November 17, 18, 21, 22 & 23, 2005.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in December, 2005 as reported by NGX and includes all weekend deals.

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-7 shows the actual contract storage and transportation costs for December 2005 as of February 22, 2006.

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
December 2005

Line	Description	Units	Actual February 22, 2006
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	74
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		77

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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

December 2005

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	90,000	11.7244	1,055,200.00	11.7425	18,000	11.4278	50,000	11.5238	781,890.00	11.5178
2	25,000	11.8330	295,825.00	11.8321	0	0.0000	248,400	11.7701	2,923,697.64	11.7922
3	0	0.0000	0.00	11.8488	0	0.0000	10,000	11.8682	118,682.00	11.8682
5	0	0.0000	0.00	12.5134	95,000	12.9347	35,000	12.8750	1,679,426.50	12.8754
6	60,000	12.9638	777,825.00	12.9329	20,000	12.5700	35,000	12.5408	690,329.00	12.5394
7	0	0.0000	0.00	13.0740	0	0.0000	50,000	12.8764	643,820.00	12.8764
8	(85,000)	12.7853	(1,086,750.00)	12.9329	20,000	13.0850	35,000	13.1311	721,289.00	13.1354
9	0	0.0000	0.00	13.0740	(10,000)	13.3000	0	0.0000	(133,000.00)	13.4596
10	(35,000)	9.5371	(333,800.00)	12.9533	(50,000)	13.6500	0	0.0000	(682,500.00)	12.4470
11	(43,000)	13.0749	(562,220.00)	12.4087	0	0.0000	0	0.0000	0.00	12.0628
12	85,000	13.8196	1,174,665.00	9.0731	0	0.0000	0	0.0000	0.00	13.3701
13	85,000	13.4918	1,146,800.00	13.1177	35,000	13.8814	20,000	13.9181	764,212.00	13.9256
14	10,000	13.1600	131,600.00	13.8269	15,000	13.5000	95,000	13.4962	1,484,642.00	13.5036
15	50,300	12.1950	613,407.00	13.4946	20,000	12.9875	0	0.0000	259,750.00	13.0467
16	61,500	12.8731	791,695.00	12.9663	25,000	12.3800	0	0.0000	309,500.00	12.2437
17	90,500	13.4028	1,212,950.00	12.2213	10,000	12.5000	0	0.0000	125,000.00	12.7318
18	55,000	12.6291	694,600.00	12.8432	40,000	12.9238	0	0.0000	516,950.00	12.7023
19	45,000	12.8111	576,500.00	13.2820	0	0.0000	0	0.0000	0.00	12.6694
20	10,000	12.3100	123,100.00	12.6578	0	0.0000	0	0.0000	0.00	12.8274
21	(30,000)	11.7240	(351,721.00)	12.8262	0	0.0000	0	0.0000	0.00	12.3185
22	(35,000)	10.0691	(352,420.00)	12.2502	(4,500)	10.9200	0	0.0000	(49,140.00)	11.3743
23	(10,000)	6.6250	(66,250.00)	11.5222	0	0.0000	0	0.0000	0.00	10.0690
24	(5,000)	9.2000	(46,000.00)	10.0856	20,000	12.4500	0	0.0000	249,000.00	7.8219
25	0	0.0000	0.00	7.7569	(30,100)	9.5008	0	0.0000	(285,975.00)	9.5523
26	(100,000)	9.4158	(941,580.00)	9.5578	0	0.0000	0	0.0000	0.00	10.0704
28	20,000	9.2425	184,850.00	9.4028	0	0.0000	30,000	9.0089	270,267.00	9.0164

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29	40,000	8.9000	356,000.00	8.9692	25,000	9.2600	15,000	9.2708	370,562.00	9.2783
30	0	0.0000	0.00	9.2742	5,000	9.0000	40,000	9.2389	414,558.00	9.0063
	384,300		5,394,276.00	TOTALS	253,400		663,400		11,172,960.14	

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

December 2005

Direct Energy Marketing Limited

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	11.7425	0	0.0000	10,958	1.0509	126,209.55	11.5178
2	0	0.0000	0.00	11.8321	0	0.0000	9,000	11.8769	106,892.10	11.7922
5	0	0.0000	0.00	12.5134	0	0.0000	11,208	0.0000	144,307.48	12.8754
6	0	0.0000	0.00	12.9329	4,050	12.5396	9,708	0.0000	172,518.00	12.5394
7	0	0.0000	0.00	13.0740	0	0.0000	6,000	12.8731	77,238.40	12.8764
8	0	0.0000	0.00	12.9329	0	0.0000	8,500	13.1339	111,638.40	13.1354
10	(500)	6.0000	(3,000.00)	12.9533	0	0.0000	0	0.0000	0.00	12.4470
13	0	0.0000	0.00	13.1177	0	0.0000	12,108	0.0000	168,611.17	13.9256
14	0	0.0000	0.00	13.8269	0	0.0000	10,708	0.0000	144,596.55	13.5036
28	0	0.0000	0.00	9.4028	0	0.0000	11,325	0.0000	102,106.22	9.0164
29	0	0.0000	0.00	8.9692	0	0.0000	10,825	0.0000	100,432.96	9.2783
	(500)		(3,000.00)	TOTALS	4,050		100,339		1,254,550.82	

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

December 2005

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	19,500	11.5178	224,597.10	11.5178
2	0	0.0000	0.00	0.0000	0	0.0000	71,382	11.7856	841,276.73	11.7922
5	0	0.0000	0.00	0.0000	0	0.0000	27,000	12.8754	347,635.80	12.8754
6	0	0.0000	0.00	0.0000	0	0.0000	28,000	12.5394	351,103.20	12.5394
7	0	0.0000	0.00	0.0000	0	0.0000	25,000	12.8812	322,030.00	12.8764
8	0	0.0000	0.00	0.0000	0	0.0000	28,000	13.1454	368,071.20	13.1354
12	0	0.0000	0.00	0.0000	0	0.0000	27,000	13.3716	361,032.70	13.3701
13	0	0.0000	0.00	0.0000	0	0.0000	43,000	13.9222	598,655.80	13.9256
14	0	0.0000	0.00	0.0000	0	0.0000	51,000	13.5036	688,683.60	13.5036
15	0	0.0000	0.00	0.0000	0	0.0000	35,800	13.0467	467,071.86	13.0467
16	0	0.0000	0.00	0.0000	0	0.0000	106,500	12.2053	1,299,864.45	12.2437
19	0	0.0000	0.00	0.0000	0	0.0000	27,500	12.6694	348,408.50	12.6694
20	0	0.0000	0.00	0.0000	0	0.0000	11,500	12.8274	147,515.10	12.8274
22	0	0.0000	0.00	0.0000	0	0.0000	10,000	11.3743	113,743.00	11.3743
28	0	0.0000	0.00	0.0000	0	0.0000	7,000	9.0164	63,114.80	9.0164
29	0	0.0000	0.00	0.0000	0	0.0000	37,300	9.2735	345,900.59	9.2783
30	0	0.0000	0.00	0.0000	0	0.0000	49,700	8.9179	443,219.63	9.0063
31	0	0.0000	0.00	0.0000	0	0.0000	4,600	8.9179	41,022.34	9.4716
	0		0.00	TOTALS	0		609,782		7,372,946.40	

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

December 2005

Direct Energy Marketing Limited

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	9,100	11.5178	104,811.98	11.5178
2	0	0.0000	0.00	0.0000	0	0.0000	15,000	11.7671	176,506.50	11.7922
5	0	0.0000	0.00	0.0000	0	0.0000	7,000	12.8768	90,137.80	12.8754
8	0	0.0000	0.00	0.0000	0	0.0000	6,000	13.1454	78,872.40	13.1354
12	0	0.0000	0.00	0.0000	0	0.0000	5,000	13.3701	66,850.50	13.3701
13	0	0.0000	0.00	0.0000	0	0.0000	3,400	13.9256	47,347.04	13.9256
14	0	0.0000	0.00	0.0000	0	0.0000	4,000	13.5036	54,014.40	13.5036
15	0	0.0000	0.00	0.0000	0	0.0000	5,000	13.0467	65,233.50	13.0467
16	0	0.0000	0.00	0.0000	0	0.0000	1,403	12.5593	17,625.68	12.2437
19	0	0.0000	0.00	0.0000	0	0.0000	1,000	12.6744	12,674.40	12.6694
20	0	0.0000	0.00	0.0000	0	0.0000	6,000	12.8274	76,964.40	12.8274
22	0	0.0000	0.00	0.0000	0	0.0000	9,000	11.3743	102,368.70	11.3743
	0		0.00	TOTALS	0		71,903		893,407.30	

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

December 2005

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	190,000	11.5349	2,191,632	11.5178
2	880,000	12.1415	10,684,546	11.7922
6	250,000	12.5544	3,138,600	12.5394
7	125,000	12.8914	1,611,425	12.8764
8	0	0.0000	0	13.1354
15	130,000	13.0740	1,699,621	13.0467
16	190,000	12.2603	2,329,453	12.2437
17	190,000	12.7505	2,422,592	12.7318
18	120,000	12.7223	1,526,676	12.7023
19	100,000	12.6944	1,269,440	12.6694
20	0	0.0000	0	12.8274
30	200,000	9.2539	1,850,790	9.0063
TOTALS	2,375,000		28,724,775	

Schedule R 10 I S - Long Term & Short Term(Monthly Index) Purchases
December 2005
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>
180893	12/01/2005	12/31/2005	1,705,000	10.226	17,434,989
180894	12/01/2005	12/31/2005	1,566	10.066	15,763
180894	12/01/2005	12/31/2005	1,603	10.066	16,135
180946	12/01/2005	12/31/2005	1,303	10.091	13,148
180947	12/01/2005	12/31/2005	919	12.403	11,398
183174	12/01/2005	12/31/2005	9,093	10.216	92,892
185436	12/01/2005	12/31/2005	192	10.166	1,952
Total Long Term Indexed			1,719,676	10.227	17,586,278
222217	12/01/2005	12/31/2005	310,000	10.236	3,173,098
222220	12/01/2005	12/31/2005	310,000	10.226	3,169,998
222836	12/01/2005	12/31/2005	620,000	10.226	6,339,996
223162	12/01/2005	12/31/2005	465,000	10.226	4,754,997
223163	12/01/2005	12/31/2005	155,000	11.655	1,806,548
226258	12/01/2005	12/31/2005	465,000	10.246	4,764,297
226523	12/01/2005	12/31/2005	93,000	10.236	951,929
Total Short Term(Monthly Index)			2,418,000	10.323	24,960,864

February 22, 2006

Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
December 2005

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>
222839	12/01/2005	12/31/2005	620,000	10.221	6,336,896
226293	12/01/2005	12/31/2005	620,000	10.231	6,343,096
226537	12/01/2005	12/31/2005	465,000	11.256	5,234,121
226575	12/01/2005	12/31/2005	310,000	10.231	3,171,548
Total Short Term(Monthly Index)			2,015,000	10.464	21,085,661

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for March 2006.

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 March 2006.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for March 2006.

Schedule F-1 shows the forecast of gas purchases for March 2006 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
March 2006

Line	Description	Units	Forecast February 22, 2006
1	AECO Monthly Index	TJ	4,327
2	AECO Daily Index	TJ	4,850
3	Other	TJ	16
	Total	TJ	9,192

February 22, 2006

Schedule F-2 shows the forecast of the unit gas prices for March 2006.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
March 2006

Line	Description	UNIT	Forecast February 22, 2006
1	AECO Monthly Index	\$/GJ	7.1678
2	AECO Daily Index (1)	\$/GJ	6.9092

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including February 21, 2006 on the AECO/NGX Intra-Alberta March (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the March, AECO/NGX Intra-Alberta Settlement prices on February 14, 15, 16, 17 & 21, 2006.

In order to zero the forecast balance of the DGA on March 31, 2006, a GCFR of \$5.098/GJ should be implemented on March 01, 2006. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

March 2006

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	18,218
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	64,824
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	179
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	46,427
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	9,107
8	GCFR	\$/GJ	Line 6 divided by Line 7	5.098

SPECIAL NOTES

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

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

February 22, 2006

Supply Sources	Security Type	Credit Charge (bp)	November Payable	December Payable	January Payable	February Payable	March Payable	Actual Dec-05	Estimate Jan-06	Estimate Feb-06	Forecast Mar-06
(SOUTH)											
ATCO Gas Supply Contracts											
Acclaim Energy Partnership	N/A		28,255	31,899	28,593	19,656	0				
ATCO	PCG	40.0	87,511	94,844	114,432	72,541	0	55	64	59	22
Enerplus Resources Corporation	N/A		12,765	13,148	11,504	7,961	0				
Linray Energy Inc.	N/A		8,664	11,398	8,140	5,787	0				
Shell Canada Limited	PCG	40.0	19,943,550	17,434,989	19,592,667	12,370,050	0	11,333	11,291	10,045	3,796
Forecast (with credit support)	PCG	40.0	0	0	0	0	12,109,998	0	0	0	3,318
Forecast (without credit support)			0	0	0	0	111,101				
Sub Total			20,080,745	17,586,278	19,755,336	12,475,995	12,221,099	11,388	11,355	10,104	7,136
DEML Supply Contracts											
Counterparty 1	PCG	40.0	524,874	978,670	1,069,621	674,730	0	441	626	548	207
Counterparty 2	PCG	40.0	10,978,865	9,509,994	10,686,909	6,747,300	0	6,215	6,159	5,479	2,070
Counterparty 3	PCG	40.0	3,626,100	3,169,998	3,562,303	2,283,844	0	2,061	2,053	1,836	701
Counterparty 4	PCG	40.0	12,739,609	27,789,594	6,325,931	3,575,900	0	11,802	11,174	3,129	1,097
Counterparty 5	PCG	40.0	5,522,614	5,821,985	3,586,368	3,539,659	0	3,411	2,960	2,188	1,086
Counterparty 6	PCG	40.0	17,518	0	0	0	0	6	0	0	0
Counterparty 7	PCG	40.0	263,367	0	8,329	660,051	0	87	2	184	203
Counterparty 8	PCG	40.0	350,017	1,690,989	1,413,318	390,225	0	578	962	587	120
Counterparty 9	N/A		232,193	0	0	0	0				
Counterparty 10	PCG	40.0	315,800	78,872	0	430,159	0	125	27	118	132
Counterparty 11	PCG	40.0	285,707	308,404	281,747	22,004	0	178	182	102	7
Counterparty 12	PCG	40.0	14,614,669	13,339,274	14,506,278	8,671,896	0	8,459	8,506	7,304	2,661
Counterparty 13	PCG	40.0	0	6,343,096	0	0	0	1,738	2,155	0	0
Counterparty 14	PCG	40.0	549,028	0	76,075	67,419	0	181	21	44	21
Counterparty 15	PCG	40.0	7,347,402	6,616,668	6,741,410	4,213,015	0	4,228	4,095	3,444	1,293
Counterparty 16	PCG	40.0	408,532	250,838	169,400	0	0	203	132	58	0
Counterparty 17	PCG	40.0	215,968	4,716,296	0	0	0	1,363	1,602	0	0
Counterparty 18	PCG	40.0	2,649,507	5,234,121	6,094,349	2,938,769	0	2,305	3,448	2,876	902
Counterparty 19	PCG	40.0	0	924,318	1,267,365	907,166	0	253	661	679	278
Counterparty 20	PCG	40.0	0	6,442	21,209	0	0	2	8	7	0
Counterparty 99	PCG	40.0	0	0	0	14,234,728	0	0	0	3,900	4,368
Forecast (with credit support)	PCG	40.0	0	0	0	0	42,358,388	0	0	0	11,605
Sub Total			60,641,770	86,779,559	55,810,612	49,356,865	42,358,388	43,636	44,773	32,483	26,751
Natural Gas Exchange											
Forecast	N/A		1,857,763	11,931,925	13,105,739	6,826,065	0				
Sub Total			1,857,763	11,931,925	13,105,739	6,826,065	10,052,911				
Required LC	L/C	47.5	60,000,000	85,000,000	85,000,000	40,000,000	40,000,000	34,291	34,291	14,575	16,137
PCG to Bank to Support LC	PCG	40.0	60,000,000	85,000,000	85,000,000	40,000,000	40,000,000	28,877	28,877	12,274	13,589
Sub Total								63,168	63,168	26,849	29,726
TOTAL			82,580,278	116,297,762	88,671,687	68,658,925	64,632,398	118,192	119,296	69,436	63,613

February 22, 2006

Footnote:

* The 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. The letter of credit to the Natural Gas Exchange was increased to \$120,000,000 on November 1, and to \$170,000,000 on December 1, 2005, and it was reduced to \$80,000,000 on Feb. 1, 2006.

