

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 \$6.932/GJ for Direct Energy Regulated Services (DERS) gas customers for April 2005.

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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 March 24, 2005.

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 April 30, 2005, a GCFR of \$6.932/GJ should be implemented for DERS Gas Customers on April 01, 2005.

**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 Jan-05	Estimate Feb-05	Estimate Mar-05	Forecast Apr-05
1	Opening Cumulative DGA Balance	\$,000	(7,425)	(5,016)	7,756	8,055	2,500
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	95,265	60,921	61,634	51,082
3	Daily Trade Averaging Adjustment	\$,000	(1)	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(2,079)	(2,306)	0	0	0
6	Total Gas Supply Costs	\$,000	(2,080)	92,959	60,921	61,634	51,082
<u>Adjustments</u>							
7	Fuel	\$,000	0	0	0	0	0
8	Transportation	\$,000	0	128	70	84	83
9	TCPL (AB) Fuel Recovery	\$,000	0	(47)	0	0	0
10	Procurement and Portfolio Management	\$,000	0	29	29	29	29
11	Gas Supply - Related Bad Debts	\$,000	0	79	78	81	84
12	DGA Balance Carrying Costs	\$,000	0	(15)	(15)	(15)	(16)
13	Credit Charge	\$,000	(5)	91	69	60	41
14	Net Gas Costs	\$,000	(2,085)	93,223	61,152	61,872	51,303
<u>Recoveries</u>							
15	Calendar Sales	\$,000	325	103,881	59,710	55,355	48,610
16	Transportation Imbalance Sales	\$,000	0	0	0	0	0
17	Excess System Sales	\$,000	0	1,933	1,563	776	0
18	Penalty Revenue	\$,000	0	181	179	186	193
19	Total Recoveries	\$,000	325	105,995	61,451	56,317	48,803
20	Current DGA Balance	\$,000	2,410	12,772	299	(5,555)	(2,500)
21	Closing Cumulative DGA Balance	\$,000	(5,016)	7,756	8,055	2,500	0

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

Line	Description	Units	A Actual Jan-05	B Estimate Feb-05	C Estimate Mar-05	D Forecast Apr-05
<u>Gas Supply Costs</u>						
1	Purchases	TJ	14,827	9,839	9,249	7,076
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(365)	0	0	0
4	Total Energy	TJ	14,462	9,839	9,249	7,076
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	(7)	0	0	0
6	Net Energy	TJ	14,455	9,839	9,249	7,076
<u>Recoveries</u>						
7	Calendar Sales	TJ	14,209	9,957	9,139	7,012
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	314	243	113	0
10	Total Recoveries	TJ	14,523	10,200	9,252	7,012
11	DGA UFG	TJ	68	361	3	(64)

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for January 2005 as of December 23, 2004 and March 24, 2005 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES
January 2005

Line	Description	Units	Forecast December 23, 2004	Actual March 24, 2005	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	90,307	95,265	4,958
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(2,306)	(2,306)
5	Total Gas Supply Costs	\$,000	90,307	92,959	2,652
<u>Adjustments</u>					
6	Fuel	\$,000	0	0	0
7	Transportation	\$,000	61	128	66
8	TCPL (AB) Fuel Recovery	\$,000	0	(47)	(47)
9	Procurement and Portfolio Management	\$,000	29	29	0
10	Gas Supply - Related Bad Debts	\$,000	78	79	1
11	DGA Balance Carrying Costs	\$,000	(15)	(15)	0
12	Credit Charge	\$,000	92	91	(2)
13	Net Gas Costs	\$,000	90,553	93,223	2,670
<u>Recoveries</u>					
14	Calendar Sales	\$,000	94,351	103,881	9,530
15	Transportation Imbalance Sales	\$,000	0	0	0
16	Excess System Sales	\$,000	0	1,933	1,933
17	Penalty Revenue	\$,000	179	181	2
18	Total Recoveries	\$,000	94,530	105,995	11,465

March 24, 2005

**SECTION 2
RECONCILIATION MONTH SCHEDULES**

Schedule R-2 shows the forecast and actual DGA energy balance for January 2005 as of December 23, 2004 and March 24, 2005. It also shows the normal and actual degree days for January 2005.

**SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
January 2005**

Line	Description	Units	Forecast December 23, 2004	Actual March 24, 2005	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	13,004	14,827	1,823
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(365)	(365)
<hr/>					
4	Total Energy	TJ	13,004	14,462	1,458
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	(7)	(7)
<hr/>					
6	Net Energy	TJ	13,004	14,455	1,451
<u>Recoveries</u>					
7	Calendar Sales	TJ	12,903	14,209	1,306
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	314	314
<hr/>					
10	Total Recoveries	TJ	12,903	14,523	1,620
<hr/>					
11	DGA UFG	TJ	(101)	68	169
12	Degree Days	DD	701	805	104

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for January 2005 as of March 24, 2005.

SCHEDULE R-3
ACTUAL GAS PURCHASES
January 2005

Line	Description	Units	Actual March 24, 2005
1	ON-System ATCO South Supplies	\$,000	33,829
2		TJ	5,187
3		\$/GJ	6.522
4	Nova Inventory Transfer Supplies	\$,000	61,432
5		TJ	9,640
6		\$/GJ	6.373
7	Total Purchases	\$,000	95,261
8		TJ	14,827
9		\$/GJ	6.425

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for January 2005 as of March 24, 2005.

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

		January 2005	Actual March 24, 2005
Line	Description	Units	
1	Long Term Indexed	\$,000	13,380
2		TJ	2,032
3		\$/GJ	6.585
4	Total Long Term	\$,000	13,380
5		TJ	2,032
6		\$/GJ	6.585
7	Short Term (Monthly Index)	\$,000	14,699
8		TJ	2,232
9		\$/GJ	6.586
10	Short Term (Daily Index)	\$,000	5,749
11		TJ	923
12		\$/GJ	6.229
13	Total Short Term	\$,000	20,448
14		TJ	3,155
15		\$/GJ	6.481
16	Total ON-System ATCO South Supplies	\$,000	33,828
17		TJ	5,187
18		\$/GJ	6.522

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**SECTION 5
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for January 2005 as of March 24, 2005.

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

		January 2005	Actual March 24, 2005
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	18,381
8		TJ	2,790
9		\$/GJ	6.588
10	Short Term (Daily Index)	\$,000	43,051
11		TJ	6,850
12		\$/GJ	6.285
13	Total Short Term	\$,000	61,432
14		TJ	9,640
15		\$/GJ	6.373
16	Total Nova Inventory Transfer Supplies	\$,000	61,432
17		TJ	9,640
18		\$/GJ	6.373

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for January 2005 as of December 23, 2004 and March 24, 2005 respectively.

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

Line	Description	Units	Forecast December 23, 2004	Actual March 24, 2005	Actual less Forecast
1	AECO Monthly Index	\$/GJ	6.8556	6.5874	(0.2682)
2	AECO Daily INDEX	\$/GJ	7.0402	6.2430	(0.7972)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including December 22, 2004 on the AECO/NGX Intra-Alberta January (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 December 31, 2004 on the AECO/NGX Intra-Alberta January (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the January, AECO/NGX Intra-Alberta Settlement prices on December 16, 17, 20, 21 & 22, 2004.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in January, 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 January 2005 as of March 24, 2005.

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
January 2005

Line	Description	Units	Actual March 24, 2005
1	Contract Storage	\$,000	0
2	Transportation -- AP FSR	\$,000	1
3	Transportation -- Other	\$,000	1
4	Transportation -- TCPL (AB)	\$,000	126
	Total		128

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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

January 2005

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

DAY	Yesterday (YD)			AECO YD Daily Average \$/GJ	Same Day (SD)					AECO Daily Index \$/GJ	
	Avg. Cost		Total Cost \$		Fixed GJ's	Avg. Cost \$/GJ	Index Related GJ's	Avg. Cost			Total Cost \$
	GJ's	\$/GJ						\$/GJ	\$		
1	(28,200)	5.8585	(165,211.00)	6.7341	0	0.0000	57,400	5.8875	337,940.64	5.9102	
2	0	0.0000	7,860.00	6.7341	0	0.0000	50,000	5.9132	295,660.00	5.9102	
3	0	0.0000	0.00	5.9044	40,000	5.7300	88,800	5.6679	732,509.52	5.6679	
4	0	0.0000	0.00	6.2088	0	0.0000	50,000	5.9474	297,370.00	5.9374	
6	75,000	5.9798	448,487.50	6.0761	0	0.0000	0	0.0000	0.00	6.0462	
7	(10,000)	6.0500	(60,500.00)	6.0761	25,000	6.2120	50,000	6.0737	458,985.00	6.0462	
8	(51,000)	6.2758	(320,065.00)	6.0761	20,000	6.2100	50,000	6.0737	427,885.00	6.0462	
9	30,000	6.5100	195,300.00	6.0761	20,000	6.2100	50,000	6.0737	427,885.00	6.0462	
10	(15,000)	6.0067	(90,100.00)	6.0057	0	0.0000	50,000	6.5231	326,155.00	6.5131	
12	0	0.0000	0.00	6.5321	0	0.0000	90,000	5.9542	535,875.00	5.9575	
13	85,000	6.6407	564,460.00	6.6202	0	0.0000	50,000	6.5854	329,270.00	6.5754	
14	85,250	7.1036	605,585.00	7.1146	0	0.0000	100,000	6.5318	653,180.00	6.5597	
15	20,000	6.9910	139,820.00	7.1146	0	0.0000	100,000	6.5318	653,180.00	6.5597	
16	(5,000)	6.4500	(32,250.00)	7.1146	66,500	6.7718	100,000	6.5318	1,103,505.00	6.5597	
20	50,000	6.5280	326,400.00	7.0255	0	0.0000	0	0.0000	0.00	6.5113	
21	100,000	7.0877	708,770.00	7.0255	158,000	6.3517	0	0.0000	1,003,567.00	6.5113	
22	0	0.0000	0.00	7.0255	0	0.0000	55,000	6.6889	367,889.00	6.5113	
23	(60,000)	6.1865	(371,190.00)	7.0255	0	0.0000	5,000	6.1633	30,816.50	6.5113	
24	(90,000)	6.1726	(555,530.00)	6.3290	0	0.0000	0	0.0000	0.00	6.1917	
25	(20,000)	6.3250	(126,500.00)	6.3593	0	0.0000	0	0.0000	0.00	6.3315	
26	0	0.0000	0.00	6.3593	25,000	6.3426	0	0.0000	158,565.00	6.3315	
28	41,000	6.7756	277,800.00	6.4032	0	0.0000	0	0.0000	0.00	6.4916	
30	(17,000)	6.1553	(104,640.00)	6.3323	0	0.0000	0	0.0000	0.00	6.1769	
31	5,000	6.3600	31,800.00		0	0.0000	0	0.0000	0.00	6.3306	
	195,050		1,480,296.50	TOTALS	354,500		946,200		8,140,237.66		

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SECTION 2
RECONCILIATION MONTH SCHEDULES

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

January 2005

Direct Energy Regulated Services

ON- System ATCO North 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	33,500	5.9032	197,757.20	5.9102
2	0	0.0000	0.00	0.0000	0	0.0000	33,500	5.9032	197,757.20	5.9102
3	0	0.0000	0.00	0.0000	0	0.0000	21,500	5.6679	121,859.85	5.9102
4	0	0.0000	0.00	0.0000	0	0.0000	21,500	5.9374	127,654.10	5.9374
5	0	0.0000	0.00	0.0000	0	0.0000	26,500	6.1331	162,527.15	6.1331
6	0	0.0000	0.00	0.0000	0	0.0000	29,500	5.9296	174,923.20	5.9296
7	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.0637	139,465.10	6.0462
8	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.0637	139,465.10	6.0462
9	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.0637	139,465.10	6.0462
10	0	0.0000	0.00	0.0000	0	0.0000	22,000	6.5131	143,288.20	6.5131
11	0	0.0000	0.00	0.0000	0	0.0000	22,000	6.0213	132,468.60	6.0213
12	0	0.0000	0.00	0.0000	0	0.0000	18,500	5.9621	110,298.75	5.9575
13	0	0.0000	0.00	0.0000	0	0.0000	18,000	6.5815	118,467.20	6.5754
14	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.5266	107,689.70	6.5597
15	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.5266	107,689.70	6.5597
16	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.5266	107,689.70	6.5597
17	0	0.0000	0.00	0.0000	0	0.0000	17,500	6.4078	112,135.75	6.5597
18	0	0.0000	0.00	0.0000	0	0.0000	23,000	6.4055	147,326.50	6.4055
19	0	0.0000	0.00	0.0000	0	0.0000	8,500	6.0694	51,589.90	6.0694
20	0	0.0000	0.00	0.0000	0	0.0000	25,500	6.1936	157,936.80	6.1936
21	0	0.0000	0.00	0.0000	0	0.0000	35,600	6.4400	229,262.74	6.5113
22	0	0.0000	0.00	0.0000	0	0.0000	32,600	6.4334	209,728.84	6.5113
23	0	0.0000	0.00	0.0000	0	0.0000	32,600	6.4334	209,728.84	6.5113
24	0	0.0000	0.00	0.0000	0	0.0000	21,000	6.2137	130,488.10	6.2161
25	0	0.0000	0.00	0.0000	0	0.0000	33,500	6.1917	207,421.95	6.1917
26	0	0.0000	0.00	0.0000	0	0.0000	30,500	6.3315	193,110.75	6.3315
27	0	0.0000	0.00	0.0000	0	0.0000	26,500	6.3505	168,288.25	6.3505
28	0	0.0000	0.00	0.0000	0	0.0000	27,300	6.1189	167,045.97	6.1765
29	0	0.0000	0.00	0.0000	0	0.0000	27,300	6.1189	167,045.97	6.1765
30	0	0.0000	0.00	0.0000	0	0.0000	27,300	6.1189	167,045.97	6.1765
	0		0.00	TOTALS	0		733,700		4,546,622.18	

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

January 2005

PEAKING Demand Supply Contracts

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)	Total Cost	AECO Daily
	GJ's	Avg. Cost \$/GJ	\$	Index \$/GJ
1	350,000	5.9431	2,080,073	5.7136
2	300,000	5.9411	1,782,323	5.8973
3	200,000	5.6992	1,139,830	5.6679
4	275,000	5.9738	1,642,785	5.9374
5	200,000	6.1644	1,232,870	6.1331
6	235,000	5.9489	1,397,981	5.9296
7	270,000	6.0980	1,646,449	6.0462
8	300,000	6.1850	1,855,490	6.1433
9	300,000	6.3376	1,901,270	6.2959
10	260,000	6.5501	1,703,031	6.5131
11	300,000	6.0420	1,812,590	6.0213
12	505,000	5.9925	3,026,213	5.9575
13	475,000	6.5986	3,134,330	6.5754
14	330,000	6.6039	2,179,301	6.5597
15	270,000	7.1296	1,925,003	7.0889
16	100,000	6.8366	683,660	6.8116
17	20,000	6.4299	128,598	6.4049
18	10,000	6.4305	64,305	6.4055
20	50,000	6.2186	310,930	6.1936
21	150,000	6.5446	981,695	6.5113
25	50,000	6.2167	310,835	6.1917
26	25,000	6.3565	158,913	6.3315
28	30,000	6.1439	184,317	6.1765
29	35,000	6.1439	215,037	6.4916
TOTALS	5,040,000		31,497,827	

Schedule R 10 H S - Actual Spot Gas Purchases by Delivery Day
January 2005
PEAKING Demand Supply Contracts
ON- System ATCO South Supplies

DAY	Index Related	Same Day (SD)	Total Cost	AECO Daily
	GJ's	Avg. Cost \$/GJ		Index \$/GJ
4	7,000	5.9624	41,737	5.9374
5	8,500	6.1581	52,344	6.1331
6	12,000	5.9579	71,495	5.9296
7	7,500	6.0887	45,665	6.0462
8	7,500	6.1683	46,262	6.1433
9	7,500	6.3209	47,407	6.2959
10	10,000	6.5381	65,381	6.5131
11	14,000	6.0492	84,688	6.0213
12	5,000	5.9825	29,913	5.9575
13	7,000	6.6004	46,203	6.5754
14	7,000	6.5847	46,093	6.5597
15	7,000	7.1139	49,797	7.0889
16	7,000	6.8366	47,856	6.8116
17	5,000	6.4299	32,150	6.4049
18	1,500	6.4305	9,646	6.4055
19	2,000	6.0944	12,189	6.0694
20	7,000	6.2186	43,530	6.1936
21	9,000	6.5363	58,827	6.5113
22	9,000	6.7048	60,343	6.6798
25	6,000	6.2167	37,300	6.1917
26	9,500	6.3581	60,402	6.3315
27	11,000	6.3764	70,141	6.3505
28	7,500	6.2042	46,531	6.1765
29	7,500	6.5193	48,895	6.4916
30	7,500	6.4045	48,034	6.3768
TOTALS	189,500		1,202,827	

Schedule R 10 I S - Long Term & Short Term(Monthly Index) Purchases

January 2005

Direct Energy Regulated Services

ON-System Atco South Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
180893	01/01/2005	01/31/2005	2,015,000	6.587	13,273,611
183174	01/01/2005	01/31/2005	8,644	6.465	55,883
185436	01/01/2005	01/31/2005	290	8.234	2,388
180894	01/01/2005	01/31/2005	4,536	6.437	29,200
180894	01/01/2005	01/31/2005	1,249	6.437	8,040
180946	01/01/2005	01/31/2005	1,010	6.462	6,527
180947	01/01/2005	01/31/2005	914	4.611	4,215
Total Long Term Indexed			2,031,643	6.585	13,379,864
188024	01/01/2005	01/31/2005	496,000	6.585	3,265,937
188026	01/01/2005	01/31/2005	620,000	6.585	4,082,421
188322	01/01/2005	01/31/2005	310,000	6.587	2,041,986
188331	01/01/2005	01/31/2005	310,000	6.585	2,041,211
188605	01/01/2005	01/31/2005	155,000	6.592	1,021,768
188822	01/01/2005	01/31/2005	93,000	6.585	612,363
192527	01/01/2005	01/31/2005	248,000	6.587	1,633,675
Total Short Term(Monthly Index)			2,232,000	6.586	14,699,360

March 24, 2005

**Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
January 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>
191349	01/01/2005	01/31/2005	930,000	6.590	6,128,607
191843	01/01/2005	01/31/2005	310,000	6.587	2,042,094
192233	01/01/2005	01/31/2005	930,000	6.587	6,126,282
192235	01/01/2005	01/31/2005	310,000	6.587	2,042,094
192420	01/01/2005	01/31/2005	310,000	6.587	2,042,094
Total Short Term(Monthly Index)			2,790,000	6.588	18,381,171

March 24, 2005

SECTION 3
FORECAST MONTH SCHEDULES

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

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 April 2005.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for April 2005.

Schedule F-1 shows the forecast of gas purchases for April 2005 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
April 2005

Line	Description	Units	Forecast March 24, 2005
1	AECO Monthly Index	TJ	2,726
2	AECO Daily Index	TJ	4,335
3	Other	TJ	15
	Total	TJ	7,076

March 24, 2005

Schedule F-2 shows the forecast of the unit gas prices for April 2005.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
April 2005

Line	Description	UNIT	Forecast March 24, 2005
1	AECO Monthly Index	\$/GJ	7.0373
2	AECO Daily Index (1)	\$/GJ	7.3332

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including March 23, 2005 on the AECO/NGX Intra-Alberta April (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the April, AECO/NGX Intra-Alberta Settlement prices on March 17, 18, 21, 22 & 23, 2005.

In order to zero the forecast balance of the DGA on April 30, 2005, a GCFR of \$6.932/GJ should be implemented on April 01, 2005. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

April 2005

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$/,000	Schedule M-1, Line 1, Column E	2,500
2	Net Gas Cost Estimate	\$/,000	Schedule M-1, Line 14, Column E	51,303
3	Transportation Imbalance Sales Estimate	\$/,000	Schedule M-1, Line 16, Column E	0
4	Excess System Sales Estimate	\$/,000	Schedule M-1, Line 17, Column E	0
5	Penalty Revenue Estimate	\$/,000	Schedule M-1, Line 18, Column E	193
6	Net Monthly Gas Cost Recovery	\$/,000	Line 2 less Line 1 less Lines 3 - 5	48,610
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	7,012
8	GCFR Less UFG Cost	\$/GJ	Line 6 divided by Line 7	6.932

SPECIAL NOTES

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

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

March 24, 2005

Supply Sources	Security Type	Credit Charge (bp)	December Payable	January Payable	February Payable	March Payable	April Payable	Actual Jan-05	Estimate Feb-05	Estimate Mar-05	Forecast Apr-05
(SOUTH)											
ATCO Gas Supply Contracts											
Acclaim Energy Partnership	N/A		49,878	37,240	33,849	28,635	0				
ATCO	PCG	40.0	66,247	58,271	48,602	48,571	0	38	33	30	16
Enerplus Resources Corporation	N/A		8,583	6,527	6,136	0	0				
Husky Energy	PCG	40.0	0	0	61,377	165,222	0	0	17	66	55
Linray Energy Inc.	N/A		5,276	4,215	3,530	4,080	0				
Shell Canada Limited	PCG	40.0	14,450,976	13,273,611	11,219,208	12,628,408	0	8,504	7,541	7,248	4,209
Forecast (with credit support)	PCG	40.0	0	0	0	0	9,500,355	0	0	0	2,639
Forecast (without credit support)			0	0	0	0	105,560				
Sub Total			14,580,960	13,379,864	11,372,702	12,874,916	9,605,915	8,542	7,591	7,344	6,919
DEML Supply Contracts											
Counterparty 1	PCG	40.0	0	2,042,094	0	0	0	567	681	0	0
Counterparty 2	PCG	40.0	3,615,711	3,069,740	2,064,764	2,435,125	0	2,058	1,597	1,365	812
Counterparty 3	PCG	40.0	1,360,205	1,613,593	1,529,890	1,164,032	0	902	963	833	388
Counterparty 4	PCG	40.0	9,809,037	8,114,614	4,195,609	3,812,359	0	5,524	3,870	2,458	1,271
Counterparty 5	PCG	40.0	14,748,954	20,316,953	6,579,271	5,921,952	0	10,560	8,600	3,838	1,974
Counterparty 6	PCG	40.0	91,449	95,040	94,533	54,396	0				
Counterparty 7	PCG	40.0	4,449,554	6,277,915	0	0	0	3,227	2,093	0	0
Counterparty 8	PCG	40.0	711,799	535,913	3,752,998	163,220	0	386	1,221	1,296	54
Counterparty 9	N/A		(2,324)	738,548	1,238,107	0	0				
Counterparty 10	PCG	40.0	757,498	612,363	547,932	582,517	0	423	356	344	194
Counterparty 11	PCG	40.0	6,733,933	6,621,852	6,519,074	7,418,321	0	4,084	4,018	4,234	2,473
Counterparty 12	PCG	40.0	2,479,803	2,166,635	1,758,385	2,241,659	0	1,428	1,211	1,209	747
Counterparty 13	PCG	40.0	7,261,200	6,572,940	3,570,195	4,072,438	0	4,246	3,183	2,321	1,357
Counterparty 14	PCG	40.0	593,850	5,047,575	6,519,659	2,833,122	0	1,600	3,494	2,960	944
Counterparty 15	PCG	40.0	5,565,427	4,949,297	4,579,947	3,718,345	0	3,230	2,922	2,560	1,239
Counterparty 99	PCG	40.0	0	0	0	8,518,793	0	0	0	2,366	2,840
Forecast (with credit support)	PCG	40.0	0	0	0	0	31,938,147	0	0	0	8,872
Sub Total			58,176,096	68,775,072	42,950,364	42,936,279	31,938,147	38,235	34,209	25,784	23,165
Natural Gas Exchange											
Forecast	N/A		12,549,822	11,173,270	5,033,197	5,045,983	0				
Sub Total			12,549,822	11,173,270	5,033,197	5,045,983	9,537,751				
Required LC											
Required LC	L/C	47.5	60,000,000	60,000,000	37,500,000	37,500,000	15,000,000	23,750	14,844	14,844	5,938
PCG to Bank to Support LC	PCG	40.0	60,000,000	60,000,000	37,500,000	37,500,000	15,000,000	20,000	12,500	12,500	5,000
Sub Total								43,750	27,344	27,344	10,938
TOTAL			85,306,878	93,328,206	59,356,263	60,857,178	51,081,813	90,527	69,144	60,472	41,022

Footnote:

* The Natural Gas Exchange numbers include only the costs associated to 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 December 1, 2004, then reduced to \$75,000,000 on February 1, 2005, and it will be subsequently reduced to \$30,000,000 on April 1, 2005.

March 24, 2005

DIRECT ENERGY REGULATED SERVICES SOUTH DGA

April 2005

March 24, 2005

DIRECT ENERGY REGULATED SERVICES SOUTH DGA

April 2005