

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 \$9.042/GJ for Direct Energy Regulated Services (DERS) Rate 1 & 3 Gas Customers and a GCFR of \$8.614/GJ for Direct Energy Regulated Services (DERS) Rate 5 Gas Customers for July 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 June 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 July 31, 2005, a GCFR of \$9.042/GJ for DERS Rate 1 & 3 Gas Customers and a GCFR of \$8.614/GJ for DERS Rate 5 Gas Customers should be implemented on July 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 Apr-05	Estimate May-05	Estimate Jun-05	Forecast Jul-05
1	Opening Cumulative DGA Balance	\$,000	2,031	1,129	(383)	(4,915)	(4,370)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	44,325	27,944	22,315	17,785
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	1,176	595	0	0	0
6	Total Gas Supply Costs	\$,000	1,176	44,920	27,944	22,315	17,785
<u>Adjustments</u>							
7	Fuel	\$,000	0	0	0	0	0
8	Transportation	\$,000	0	26	7	8	3
9	TCPL (AB) Fuel Recovery	\$,000	3	(149)	0	0	0
10	Procurement and Portfolio Management	\$,000	0	29	29	29	29
11	Gas Supply - Related Bad Debts	\$,000	0	86	89	91	88
12	DGA Balance Carrying Costs	\$,000	0	(16)	(17)	(17)	(16)
13	Credit Charge	\$,000	0	40	30	18	16
14	Net Gas Costs	\$,000	1,178	44,935	28,082	22,443	17,904
<u>Recoveries</u>							
15	Calendar Sales	\$,000	276	40,781	22,326	22,546	22,074
16	Transportation Imbalance Sales	\$,000	0	0	0	0	0
17	Excess System Sales	\$,000	0	2,445	1,022	234	0
18	Penalty Revenue	\$,000	0	197	203	208	201
19	Total Recoveries	\$,000	276	43,423	23,550	22,988	22,275
20	Current DGA Balance	\$,000	(902)	(1,512)	(4,531)	545	4,370
21	Closing Cumulative DGA Balance	\$,000	1,129	(383)	(4,915)	(4,370)	0

June 24, 2005

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

Line	Description	Units	A Actual Apr-05	B Estimate May-05	C Estimate Jun-05	D Forecast Jul-05
<u>Gas Supply Costs</u>						
1	Purchases	TJ	6,135	4,024	3,280	2,473
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	92	0	0	0
4	Total Energy	TJ	6,227	4,024	3,280	2,473
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	(21)	0	0	0
6	Net Energy	TJ	6,205	4,024	3,280	2,473
<u>Recoveries</u>						
7	Calendar Sales	TJ	5,883	3,856	3,314	2,459
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	330	157	32	0
10	Total Recoveries	TJ	6,213	4,013	3,346	2,459
11	DGA UFG	TJ	8	(11)	65	(14)

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for April 2005 as of March 24, 2005 and June 24, 2005 respectively.

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

Line	Description	Units	Forecast March 24, 2005	Actual June 24, 2005	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	51,082	44,325	(6,756)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	595	595
5	Total Gas Supply Costs	\$,000	51,082	44,920	(6,161)
<u>Adjustments</u>					
6	Fuel	\$,000	0	0	0
7	Transportation	\$,000	83	26	(57)
8	TCPL (AB) Fuel Recovery	\$,000	0	(149)	(149)
9	Procurement and Portfolio Management	\$,000	29	29	0
10	Gas Supply - Related Bad Debts	\$,000	84	86	1
11	DGA Balance Carrying Costs	\$,000	(16)	(16)	0
12	Credit Charge	\$,000	41	40	(1)
13	Net Gas Costs	\$,000	51,303	44,935	(6,368)
<u>Recoveries</u>					
14	Calendar Sales	\$,000	48,610	40,781	(7,829)
15	Transportation Imbalance Sales	\$,000	0	0	0
16	Excess System Sales	\$,000	0	2,445	2,445
17	Penalty Revenue	\$,000	193	197	3
18	Total Recoveries	\$,000	48,803	43,423	(5,380)

June 24, 2005

**SECTION 2
RECONCILIATION MONTH SCHEDULES**

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

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

Line	Description	Units	Forecast March 24, 2005	Actual June 24, 2005	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	7,076	6,135	(942)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	92	92
<hr/>					
4	Total Energy	TJ	7,076	6,227	(850)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	(21)	(21)
<hr/>					
6	Net Energy	TJ	7,076	6,205	(871)
<u>Recoveries</u>					
7	Calendar Sales	TJ	7,012	5,883	(1,129)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	330	330
<hr/>					
10	Total Recoveries	TJ	7,012	6,213	(799)
<hr/>					
11	DGA UFG	TJ	(64)	8	72
12	Degree Days	DD	324	283	(41)

June 24, 2005

SECTION 2
RECONCILIATION MONTH SCHEDULES

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

SCHEDULE R-3
ACTUAL GAS PURCHASES
April 2005

Line	Description	Units	Actual June 24, 2005
1	ON-System ATCO South Supplies	\$,000	27,989
2		TJ	3,882
3		\$/GJ	7.209
4	Nova Inventory Transfer Supplies	\$,000	16,334
5		TJ	2,253
6		\$/GJ	7.252
7	Total Purchases	\$,000	44,323
8		TJ	6,135
9		\$/GJ	7.225

June 24, 2005

SECTION 2
RECONCILIATION MONTH SCHEDULES

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

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

	April 2005	Actual June 24, 2005	
Line	Description	Units	
1	Long Term Indexed	\$,000	9,679
2		TJ	1,366
3		\$/GJ	7.086
4	Total Long Term	\$,000	9,679
5		TJ	1,366
6		\$/GJ	7.086
7	Short Term (Monthly Index)	\$,000	4,879
8		TJ	690
9		\$/GJ	7.071
10	Short Term (Daily Index)	\$,000	13,431
11		TJ	1,827
12		\$/GJ	7.351
13	Total Short Term	\$,000	18,310
14		TJ	2,517
15		\$/GJ	7.275
16	Total ON-System ATCO South Supplies	\$,000	27,989
17		TJ	3,883
18		\$/GJ	7.208

June 24, 2005

**SECTION 5
RECONCILIATION MONTH SCHEDULES**

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

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

		April 2005	Actual June 24, 2005
<u>Line</u>	<u>Description</u>	<u>Units</u>	
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	4,255
8		TJ	600
9		\$/GJ	7.092
10	Short Term (Daily Index)	\$,000	12,079
11		TJ	1,653
12		\$/GJ	7.307
13	Total Short Term	\$,000	16,334
14		TJ	2,253
15		\$/GJ	7.250
16	Total Nova Inventory Transfer Supplies	\$,000	16,334
17		TJ	2,253
18		\$/GJ	7.250

June 24, 2005

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for April 2005 as of March 24, 2005 and June 24, 2005 respectively.

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

Line	Description	Units	Forecast March 24, 2005	Actual June 24, 2005	Actual less Forecast
1	AECO Monthly Index	\$/GJ	7.0373	7.0903	0.0530
2	AECO Daily INDEX	\$/GJ	7.3332	7.3780	0.0448

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 actual unit price in Line 1 was the weighted average price of the transactions made up to and including March 31, 2005 on the AECO/NGX Intra-Alberta April (Near Month) instrument as reported by NGX.
3. 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.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in April, 2005 as reported by NGX and includes all weekend deals.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-7 shows the actual contract storage and transportation costs for April 2005 as of June 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
April 2005

Line	Description	Units	Actual June 24, 2005
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	25
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	0
	Total		26

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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

April 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
2	(30,000)	7.6733	(230,200.00)	7.7080	0	0.0000	0	0.0000	0.00	7.7503
3	(10,000)	7.9050	(79,050.00)	7.8868	0	0.0000	0	0.0000	0.00	7.7843
4	(35,000)	7.5600	(264,601.50)	7.5754	0	0.0000	0	0.0000	0.00	7.8601
5	(17,500)	7.6029	(133,050.01)	7.6243	(20,000)	7.5600	0	0.0000	(151,200.00)	7.5888
6	60,000	7.6342	458,050.00	7.6188	(20,000)	7.5928	0	0.0000	(151,855.00)	7.6490
8	0	0.0000	0.00	7.4134	(20,000)	7.3850	15,000	7.4157	(36,464.51)	7.4157
9	(25,500)	7.2859	(185,790.00)	7.3177	10,000	7.4900	45,000	7.4214	408,864.50	7.4203
10	0	0.0000	0.00	7.3810	0	0.0000	15,000	7.3527	110,290.50	7.3527
11	45,000	7.5961	341,826.00	7.5856	0	0.0000	0	0.0000	0.00	7.3968
12	10,000	7.3470	73,470.00	7.3412	0	0.0000	20,000	7.5673	151,346.00	7.5663
13	40,000	7.3081	292,325.00	7.2823	0	0.0000	20,000	7.3193	146,386.00	7.3168
14	45,000	7.3089	328,900.00	7.3123	0	0.0000	0	0.0000	0.00	7.2943
15	15,000	7.1967	107,950.00	7.1774	0	0.0000	0	0.0000	0.00	7.2781
18	0	0.0000	0.00	7.3480	10,000	7.1800	0	0.0000	71,800.00	7.1868
19	15,000	7.3670	110,505.00	7.3810	0	0.0000	0	0.0000	0.00	7.3552
20	40,000	7.1153	284,610.00	7.1108	0	0.0000	0	0.0000	0.00	7.3670
21	0	0.0000	0.00	7.2561	0	0.0000	20,000	7.1211	142,422.00	7.1236
23	(50,000)	7.3295	(366,475.01)	7.3615	0	0.0000	20,000	7.4104	148,208.00	7.4104
24	(60,000)	7.5057	(450,340.00)	7.5025	0	0.0000	20,000	7.4067	148,134.00	7.4067
26	105,000	7.3914	776,100.00	7.3340	0	0.0000	0	0.0000	0.00	7.3462
27	0	0.0000	0.00	6.9465	10,000	7.2350	35,000	7.2340	325,538.50	7.2361
28	45,000	6.9206	311,425.00	6.9191	27,500	6.9027	20,000	6.9141	328,107.00	6.9131
29	0	0.0000	0.00	6.8073	20,000	6.9300	0	0.0000	138,600.00	6.9006
30	(40,000)	6.7500	(270,000.00)	6.7936	0	0.0000	0	0.0000	0.00	6.7854
	152,000		1,105,654.48	TOTALS	17,500		230,000		1,780,176.99	

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Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day
April 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	69,500	7.6741	533,347.10	7.6725
2	0	0.0000	0.00	0.0000	0	0.0000	69,500	7.6853	534,125.10	7.7503
3	0	0.0000	0.00	0.0000	0	0.0000	69,500	7.6901	534,465.10	7.7843
4	0	0.0000	0.00	0.0000	0	0.0000	66,274	7.8621	521,055.27	7.8601
5	0	0.0000	0.00	0.0000	0	0.0000	75,774	7.5908	575,183.73	7.5888
6	0	0.0000	0.00	0.0000	0	0.0000	12,274	7.6490	93,883.83	7.6490
7	0	0.0000	0.00	0.0000	0	0.0000	32,068	7.5883	243,341.60	7.5883
8	0	0.0000	0.00	0.0000	0	0.0000	77,211	7.4239	573,210.04	7.4157
9	0	0.0000	0.00	0.0000	0	0.0000	77,211	7.4239	573,210.04	7.4203
10	0	0.0000	0.00	0.0000	0	0.0000	77,211	7.4239	573,210.04	7.3527
11	0	0.0000	0.00	0.0000	0	0.0000	100,906	7.3968	746,381.50	7.3968
12	0	0.0000	0.00	0.0000	0	0.0000	78,911	7.5663	597,064.30	7.5663
13	0	0.0000	0.00	0.0000	0	0.0000	77,411	7.3168	566,400.80	7.3168
14	0	0.0000	0.00	0.0000	0	0.0000	83,700	7.2943	610,532.91	7.2943
15	0	0.0000	0.00	0.0000	0	0.0000	77,700	7.2607	564,159.37	7.2781
16	0	0.0000	0.00	0.0000	0	0.0000	77,700	7.2507	563,381.50	7.1620
17	0	0.0000	0.00	0.0000	0	0.0000	77,700	7.2469	563,081.34	7.1172
18	0	0.0000	0.00	0.0000	0	0.0000	71,200	7.1868	511,700.16	7.1868
19	0	0.0000	0.00	0.0000	0	0.0000	72,600	7.3542	533,917.52	7.3552
20	0	0.0000	0.00	0.0000	0	0.0000	14,300	7.3635	105,298.10	7.3670
21	0	0.0000	0.00	0.0000	0	0.0000	19,700	7.1136	140,137.92	7.1236
22	0	0.0000	0.00	0.0000	0	0.0000	18,275	7.2717	132,890.32	7.3149
23	0	0.0000	0.00	0.0000	0	0.0000	18,275	7.2717	132,890.32	7.4104
24	0	0.0000	0.00	0.0000	0	0.0000	18,275	7.2717	132,890.32	7.4067
26	0	0.0000	0.00	0.0000	0	0.0000	88,775	7.3446	652,018.91	7.3462
27	0	0.0000	0.00	0.0000	0	0.0000	69,175	7.2339	500,407.22	7.2361
28	0	0.0000	0.00	0.0000	0	0.0000	83,157	6.9130	574,862.66	6.9131
29	0	0.0000	0.00	0.0000	0	0.0000	76,123	6.8884	524,362.37	6.9006
30	(2,221)	6.7854	(15,070.37)	0.0000	0	0.0000	76,123	6.8776	523,541.80	6.7854
	(2,221)		(15,070.37)	TOTALS	0		1,826,529		13,430,951.19	

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

April 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	30,000	7.6825	230,475	7.6725
2	90,000	7.7603	698,427	7.7503
3	60,000	7.7943	467,658	7.7843
4	70,000	7.8851	551,957	7.8601
5	75,000	7.6098	570,735	7.5888
14	75,000	7.3193	548,948	7.2943
18	50,000	7.2118	360,590	7.1868
27	120,000	7.2607	871,282	7.2361
28	95,000	6.9415	659,445	6.9131
29	130,000	6.9429	902,578	6.9006
30	130,000	6.9324	901,213	6.7854
TOTALS	925,000		6,763,307	

Schedule R 10 I S - Long Term & Short Term(Monthly Index) Purchases
April 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	04/01/2005	04/30/2005	1,350,000	7.090	9,571,905
180894	04/01/2005	04/30/2005	4,478	6.940	31,079
180894	04/01/2005	04/30/2005	1,198	6.940	8,314
180946	04/01/2005	04/30/2005	904	6.965	6,297
180947	04/01/2005	04/30/2005	1,001	4.729	4,734
183174	04/01/2005	04/30/2005	7,972	6.968	55,548
185436	04/01/2005	04/30/2005	155	8.233	1,276
Total Long Term Indexed			1,365,708	7.086	9,679,152
199615	04/01/2005	04/30/2005	90,000	7.070	636,327
199611	04/01/2005	04/30/2005	150,000	7.070	1,060,545
199614	04/01/2005	04/30/2005	450,000	7.070	3,181,635
Total Short Term(Monthly Index)			690,000	7.071	4,878,507

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Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
April 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>
199727	04/01/2005	04/30/2005	300,000	7.093	2,127,840
199758	04/01/2005	04/30/2005	300,000	7.090	2,127,090
Total Short Term(Monthly Index)			600,000	7.092	4,254,930

SECTION 3
FORECAST MONTH SCHEDULES

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

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

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

Line	Description	Units	Forecast June 24, 2005
1	AECO Monthly Index	TJ	2,041
2	AECO Daily Index	TJ	417
3	Other	TJ	16
	Total	TJ	2,473

June 24, 2005

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

SCHEDULE F-2
FORECAST UNIT GAS PRICES
July 2005

Line	Description	UNIT	Forecast June 24, 2005
1	AECO Monthly Index	\$/GJ	7.1378
2	AECO Daily Index (1)	\$/GJ	7.4516

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including June 23, 2005 on the AECO/NGX Intra-Alberta July (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the July, AECO/NGX Intra-Alberta Settlement prices on June 17, 20, 21, 22 & 23, 2005.

In order to zero the forecast balance of the DGA on July 31, 2005, a GCFR of \$9.042/GJ for DERS Rate 1 & 3 Gas Customers and a GCFR of \$8.614/GJ for DERS Rate 5 Gas Customers should be implemented on July 01, 2005. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

July 2005				
Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(4,370)
2	EUB Decision 2005-036 AGS-DGA PPA	\$,000	Appendix A, Line 5	1,176
3	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 14, Column E	17,904
4	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
5	Excess System Sales Estimate	\$,000	Schedule M-1, Line 17, Column E	0
6	Penalty Revenue Estimate	\$,000	Schedule M-1, Line 18, Column E	201
7	Net Monthly Gas Cost Recovery	\$,000	Line 3 less Lines 1 - 2 less Lines 4 - 6	20,897
8	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	2,459
9	GCFR excluding AGS - DGA PPA	\$/GJ	Line 7 divided by Line 8	8.498
DERS GCFR for Rates 1 & 3				
10	DERS Rates 1 & 3 Sales Forecast	TJ	Appendix A, Line 1	2,077
11	AGS - DGA PPA Rates 1 & 3	\$,000	Appendix A, Line 3	1,131
12	Impact to rate of AGS - DGA PPA	\$/GJ	Line 11 divided by Line 10	0.545
13	GCFR excluding AGS - DGA PPA	\$/GJ	Line 9	8.498
14	GCFR for Rates 1 & 3	\$/GJ	Line 13 plus line 12	9.042
DERS GCFR for Rate 5				
15	DERS Rate 5 Sales Forecast	TJ	Appendix A, Line 2	382
16	AGS - DGA PPA Rate 5	\$,000	Appendix A, Line 4	44
17	Impact to rate of AGS - DGA PPA	\$/GJ	Line 16 divided by Line 15	0.116
18	GCFR excluding AGS - DGA PPA	\$/GJ	Line 9	8.498
19	GCFR for Rate 5	\$/GJ	Line 17 plus line 18	8.614

SPECIAL NOTES

AGS - DGA PPA is the Imbalance and Production Adjustments Deferred Gas Account approved in the EUB Decision 2005-036 for Atco Gas South and allocated to the period June 2005 - October 2005 per attached Appendix A

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

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

June 24, 2005

Supply Sources	Security Type	Credit Charge (bp)	March Payable	April Payable	May Payable	June Payable	July Payable	Actual Apr-05	Estimate May-05	Estimate Jun-05	Forecast Jul-05
(SOUTH)											
ATCO Gas Supply Contracts											
Acclaim Energy Partnership	N/A		36,171	39,393	36,373	37,008	0				
ATCO	PCG	40.0	52,930	56,824	60,911	61,328	0	33	36	37	20
Enerplus Resources Corporation	N/A		5,897	6,297	4,871	6,224	0				
Linray Energy Inc.	N/A		4,286	4,734	4,880	5,135	0				
Shell Canada Limited	PCG	40.0	12,628,408	9,571,905	10,152,392	8,921,745	0	6,868	6,011	5,862	2,974
Forecast (with credit support)	PCG	40.0	0	0	0	0	9,957,231	0	0	0	2,766
Forecast (without credit support)			0	0	0	0	110,636				
Sub Total			12,727,692	9,679,153	10,259,427	9,031,440	10,067,867	6,901	6,047	5,899	5,760
DEML Supply Contracts											
Counterparty 1	PCG	40.0	0	636,327	0	0	0	177	212	0	0
Counterparty 2	PCG	40.0	2,449,960	2,532,297	2,407,805	1,845,095	0	1,520	1,513	1,315	615
Counterparty 3	PCG	40.0	1,274,933	1,160,261	685,481	930,722	0	747	577	487	310
Counterparty 4	PCG	40.0	4,526,773	4,403,969	1,330,729	577,653	0	2,732	1,838	604	193
Counterparty 5	PCG	40.0	8,610,197	5,234,411	753,635	0	0	4,324	1,954	251	0
Counterparty 6	N/A		83,422	35,788	119,090	0	0				
Counterparty 7	PCG	40.0	383,613	2,544,552	1,614,202	1,785,607	0	835	1,297	1,034	595
Counterparty 8	N/A		0	1,569,465	1,680,273	1,782,270	0				
Counterparty 9	PCG	40.0	0	0	0	106,736	0	0	0	25	36
Counterparty 10	PCG	40.0	582,517	0	0	288,901	0	194	0	80	96
Counterparty 11	N/A		0	0	172,688	0	0				
Counterparty 12	PCG	40.0	165,223	110,801	374,592	66,375	0	86	141	143	22
Counterparty 13	PCG	40.0	8,153,612	7,502,192	3,060,805	516,908	0	4,802	3,351	1,164	172
Counterparty 14	PCG	40.0	2,261,092	159,009	294,029	0	0	798	135	98	0
Counterparty 15	PCG	40.0	0	0	0	140,502	0	0	0	39	47
Counterparty 16	PCG	40.0	4,192,657	2,141,151	131,428	269,182	0	1,992	750	119	90
Counterparty 17	PCG	40.0	2,889,847	0	0	0	0	963	0	0	0
Counterparty 18	PCG	40.0	6,289,687	2,274,226	1,128,431	0	0	2,728	1,072	376	0
Counterparty 99	PCG	40.0	0	0	0	2,102,451	0	0	0	584	701
Forecast (with credit support)	PCG	40.0	0	0	0	0	6,785,136	0	0	0	1,885
Sub Total			41,863,533	30,304,449	13,753,188	10,412,402	6,785,136	21,898	12,840	6,319	4,762
Natural Gas Exchange	N/A		5,118,160	1,894,009	2,906,599	2,637,394	0				
Forecast			0	0	0	0	931,737				
Sub Total			5,118,160	1,894,009	2,906,599	2,637,394	931,737				
Required LC	L/C	47.5	37,500,000	15,000,000	15,000,000	7,500,000	7,500,000	5,938	5,938	2,969	2,969
PCG to Bank to Support LC	PCG	40.0	37,500,000	15,000,000	15,000,000	7,500,000	7,500,000	5,000	5,000	2,500	2,500
Sub Total								10,938	10,938	5,469	5,469
TOTAL			59,709,385	41,877,611	26,919,214	22,081,236	17,784,740	39,737	29,825	17,687	15,991

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 reduced to \$30,000,000 on April 1, 2005 and further reduced to \$15,000,000 effective June 1, 2005.

**APPENDIX A
EUB DECISION 2005-036
RATES 1 & 3 AND RATE 5 LOAD PROFILE, ESTIMATED CONSUMPTION AND PRORATION OF ATCO
GAS SOUTH - DGA ADJUSTMENT TO FEBRUARY 29, 2004**

Est Calendar Sales (TJ)	Rate 1	Rate 3	Rate 5	Total
January	11,272	1,530	-	12,802
February	9,566	1,306	-	10,872
March	8,854	1,211	-	10,065
April	5,651	802	0	6,453
May	3,703	559	30	4,292
June	2,213	365	170	2,748
July	1,858	322	382	2,562
August	1,999	338	260	2,597
September	3,232	474	81	3,786
October	5,724	746	22	6,492
November	8,914	1,076	-	9,990
December	11,019	1,282	-	12,302
Total Est Calendar Sales 2005	74,004	10,012	945	84,961
Percentage	87.10%	11.78%	1.11%	100.00%

Rate 1 & 3	98.89%
Rate 5	1.11%
	<u>100.00%</u>

Total South Imbalance	\$ 11,265,199.51
Allowable portion	85%
under EUB decision 2005-036	<u>\$ 9,575,419.58</u>

Allocation by Rate Class		Amount Booked	Amount Outstanding
Rates 1 & 3	98.89%	\$ 9,468,860.19	1,523,788 7,945,072.19
Rate 5	1.11%	\$ 106,559.39	19,787 86,772.39
	<u>100.00%</u>	<u>\$ 9,575,419.58</u>	<u>\$ 1,543,575 \$ 8,031,845</u>

LINE		June 2005	July 2005	August 2005	Sept 2005	October 2005	Total
	Estimated consumption (TJ) *						
1	Rates 1 & 3	Filed	2,077.42	2,336.87	3,705.49	6,469.68	14,589.45
2	Rate 5		381.78	260.29	80.93	22.05	745.05
	Total Estimated Consumption		<u>2,459.20</u>	<u>2,597.16</u>	<u>3,786.42</u>	<u>6,491.73</u>	<u>15,334.51</u>

* Note: July consumption estimate has been updated to include best information available

Prorated charges based on consumption (\$\$)

3	Rates 1 & 3	Filed	1,131,314	1,272,603	2,017,920	3,523,236	7,945,073
4	Rate 5		44,464	30,315	9,426	2,568	86,773
5			<u>\$ 1,175,778</u>	<u>\$ 1,302,918</u>	<u>\$ 2,027,346</u>	<u>\$ 3,525,804</u>	<u>\$ 8,031,846</u>

Amounts booked to GCFR

	June 2005					
Rates 1 & 3	1,523,788	0	0	0	0	1,523,788
Rate 5	19,787	0	0	0	0	19,787
	<u>\$ 1,543,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,543,575</u>

June 24, 2005