

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 \$5.790/GJ for Direct Energy Regulated Services (DERS) gas customers for May 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 April 25, 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 May 31, 2005, a GCFR of \$5.790/GJ should be implemented for DERS Gas Customers on May 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 Feb-05	Estimate Mar-05	Estimate Apr-05	Forecast May-05
1	Opening Cumulative DGA Balance	\$,000	7,756	8,885	9,411	6,543	7,500
	<u>Gas Supply Costs</u>						
2	Purchases	\$,000	0	60,920	61,929	43,575	34,800
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(643)	(501)	0	0	0
6	Total Gas Supply Costs	\$,000	(643)	60,419	61,929	43,575	34,800
	<u>Adjustments</u>						
7	Fuel	\$,000	0	0	0	0	0
8	Transportation	\$,000	0	70	53	17	23
9	TCPL (AB) Fuel Recovery	\$,000	0	(62)	0	0	0
10	Procurement and Portfolio Management	\$,000	0	29	29	29	29
11	Gas Supply - Related Bad Debts	\$,000	0	79	81	84	89
12	DGA Balance Carrying Costs	\$,000	0	(15)	(15)	(16)	(17)
13	Credit Charge	\$,000	0	69	60	42	35
14	Net Gas Costs	\$,000	(643)	60,590	62,136	43,731	34,959
	<u>Recoveries</u>						
15	Sales	\$,000	485	59,372	56,866	43,110	27,256
16	Transportation Imbalance Sales	\$,000	0	0	0	0	0
17	Excess System Sales	\$,000	0	1,563	2,216	1,385	0
18	Penalty Revenue	\$,000	0	181	186	193	203
19	Total Recoveries	\$,000	485	61,116	59,268	44,689	27,459
20	Current DGA Balance	\$,000	1,129	526	(2,868)	958	(7,500)
21	Closing Cumulative DGA Balance	\$,000	8,885	9,411	6,543	7,500	0

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

Line	Description	Units	A Actual Feb-05	B Estimate Mar-05	C Estimate Apr-05	D Forecast May-05
<u>Gas Supply Costs</u>						
1	Purchases	TJ	9,839	9,251	5,975	4,740
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(79)	0	0	0
4	Total Energy	TJ	9,760	9,251	5,975	4,740
<u>Adjustments</u>						
5	TCPL (AB) Fuel Recovery	TJ	(10)	0	0	0
6	Net Energy	TJ	9,750	9,251	5,975	4,740
<u>Recoveries</u>						
7	Calendar Sales	TJ	9,900	9,388	6,219	4,707
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	243	324	184	0
10	Total Recoveries	TJ	10,143	9,712	6,403	4,707
11	DGA UFG	TJ	394	461	427	(33)

SPECIAL NOTES

INTRODUCTION

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

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for February 2005 as of January 25, 2005 and April 25, 2005 respectively.

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

Line	Description	Units	Forecast January 25, 2005	Actual April 25, 2005	Actual less Forecast
	<u>Gas Supply Costs</u>				
1	Purchases	\$,000	68,299	60,920	(7,379)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(501)	(501)
5	Total Gas Supply Costs	\$,000	68,299	60,419	(7,880)
	<u>Adjustments</u>				
6	Fuel	\$,000	0	0	0
7	Transportation	\$,000	95	70	(25)
8	TCPL (AB) Fuel Recovery	\$,000	0	(62)	(62)
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	75	69	(6)
13	Net Gas Costs	\$,000	68,561	60,590	(7,971)
	<u>Recoveries</u>				
14	Calendar Sales	\$,000	65,360	59,372	(5,988)
15	Transportation Imbalance Sales	\$,000	0	0	0
16	Excess System Sales	\$,000	0	1,563	1,563
17	Penalty Revenue	\$,000	180	181	2
18	Total Recoveries	\$,000	65,540	61,116	(4,424)

April 25, 2005

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for February 2005 as of January 25, 2005 and April 25, 2005. It also shows the normal and actual degree days for February 2005.

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

Line	Description	Units	Forecast January 25, 2005	Actual April 25, 2005	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	10,987	9,839	(1,148)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(79)	(79)
<hr/>					
4	Total Energy	TJ	10,987	9,760	(1,228)
<u>Adjustments</u>					
5	TCPL (AB) Fuel Recovery	TJ	0	(10)	(10)
<hr/>					
6	Net Energy	TJ	10,987	9,750	(1,238)
<u>Recoveries</u>					
7	Calendar Sales	TJ	10,898	9,900	(998)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	243	243
<hr/>					
10	Total Recoveries	TJ	10,898	10,143	(755)
<hr/>					
11	DGA UFG	TJ	(89)	394	483
12	Degree Days	DD	586	534	(52)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for February 2005 as of April 25, 2005.

SCHEDULE R-3
ACTUAL GAS PURCHASES
February 2005

Line	Description	Units	Actual April 25, 2005
1	ON-System ATCO South Supplies	\$,000	28,945
2		TJ	4,684
3		\$/GJ	6.180
4	Nova Inventory Transfer Supplies	\$,000	31,973
5		TJ	5,155
6		\$/GJ	6.202
7	Total Purchases	\$,000	60,918
8		TJ	9,839
9		\$/GJ	6.191

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA ON-System ATCO South gas components for February 2005 as of April 25, 2005.

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

		February 2005	Actual April 25, 2005
<u>Line</u>	<u>Description</u>	<u>Units</u>	
1	Long Term Indexed	\$,000	11,311
2		TJ	1,835
3		\$/GJ	6.164
4	Total Long Term	\$,000	11,311
5		TJ	1,835
6		\$/GJ	6.164
7	Short Term (Monthly Index)	\$,000	13,285
8		TJ	2,156
9		\$/GJ	6.162
10	Short Term (Daily Index)	\$,000	4,349
11		TJ	693
12		\$/GJ	6.276
13	Total Short Term	\$,000	17,634
14		TJ	2,849
15		\$/GJ	6.190
16	Total ON-System ATCO South Supplies	\$,000	28,945
17		TJ	4,684
18		\$/GJ	6.180

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**SECTION 5
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for February 2005 as of April 25, 2005.

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

		February 2005	Actual April 25, 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	9,457
8		TJ	1,535
9		\$/GJ	6.161
10	Short Term (Daily Index)	\$,000	22,516
11		TJ	3,620
12		\$/GJ	6.220
13	Total Short Term	\$,000	31,973
14		TJ	5,155
15		\$/GJ	6.202
16	Total Nova Inventory Transfer Supplies	\$,000	31,973
17		TJ	5,155
18		\$/GJ	6.202

April 25, 2005

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-6 shows the forecast and actual unit gas prices for February 2005 as of January 25, 2005 and April 25, 2005 respectively.

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

Line	Description	Units	Forecast January 25, 2005	Actual April 25, 2005	Actual less Forecast
1	AECO Monthly Index	\$/GJ	6.1197	6.1644	0.0447
2	AECO Daily INDEX	\$/GJ	6.3104	6.2620	(0.0484)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including January 25, 2005 on the AECO/NGX Intra-Alberta February (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 January 31, 2005 on the AECO/NGX Intra-Alberta February (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the February, AECO/NGX Intra-Alberta Settlement prices on January 20, 21, 22, 24 & 25, 2005.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in February, 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 February 2005 as of April 25, 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
February 2005

Line	Description	Units	Actual April 25, 2005
1	Contract Storage	\$,000	0
2	Transportation -- AP FSR	\$,000	1
3	Transportation -- Other	\$,000	1
4	Transportation -- TCPL (AB)	\$,000	69
	Total		70

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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

February 2005

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

DAY	Yesterday (YD)			AECO YD Daily Average \$/GJ	Same Day (SD)					AECO Daily Index \$/GJ
	GJ's	Avg. Cost \$/GJ	Total Cost \$		Fixed GJ's	Avg. Cost \$/GJ	Index Related GJ's	Avg. Cost \$/GJ	Total Cost \$	
1	0	0.0000	0.00	6.3991	105,940	6.1949	0	0.0000	656,288.95	6.3306
2	(15,000)	6.3067	(94,600.01)	6.2518	0	0.0000	0	0.0000	0.00	6.2285
4	20,000	6.2850	125,700.00	6.2752	30,000	6.3500	100,000	6.2631	816,810.00	6.2567
5	0	0.0000	0.00	6.2752	0	0.0000	150,000	6.2655	939,825.00	6.2567
6	0	0.0000	0.00	6.2752	0	0.0000	150,000	6.2574	938,605.00	6.2567
7	0	0.0000	0.00	6.2193	0	0.0000	150,000	6.2086	931,290.00	6.1986
8	(50,000)	6.3245	(316,225.00)	6.2641	0	0.0000	0	0.0000	0.00	6.3153
9	(20,000)	6.2575	(125,150.01)	6.1660	0	0.0000	0	0.0000	0.00	6.2622
10	0	0.0000	0.00	6.1660	30,000	6.2867	0	0.0000	188,600.00	6.2622
12	0	0.0000	0.00	6.1130	60,000	6.1925	0	0.0000	371,550.00	6.1748
13	0	0.0000	0.00	6.1716	0	0.0000	100,000	6.1045	610,450.00	6.1605
15	(5,000)	6.2200	(31,100.00)	6.2265	(20,000)	6.2200	20,000	6.1777	(846.00)	6.1777
17	(30,000)	5.9833	(179,500.00)	5.9984	0	0.0000	75,000	6.1570	461,775.00	6.1470
18	0	0.0000	0.00	6.0873	0	0.0000	60,000	6.0220	361,320.00	6.0306
19	0	0.0000	0.00	6.0873	0	0.0000	100,000	6.0540	605,396.00	6.0306
20	0	0.0000	0.00	6.0873	0	0.0000	109,000	6.0790	662,609.20	6.0306
21	0	0.0000	0.00	6.0873	0	0.0000	60,000	6.0220	361,320.00	6.0306
23	0	0.0000	0.00	6.5490	0	0.0000	60,000	6.2604	375,624.00	6.2504
24	(10,000)	6.5125	(65,125.00)	6.7761	0	0.0000	0	0.0000	0.00	6.5267
25	(20,000)	6.7300	(134,600.00)	6.8247	0	0.0000	0	0.0000	0.00	6.8428
26	(63,000)	6.8094	(428,990.00)	6.7817	0	0.0000	0	0.0000	0.00	6.8342
	(193,000)		(1,249,590.02)	TOTALS	205,940		1,134,000		8,280,617.15	

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SECTION 2
RECONCILIATION MONTH SCHEDULES

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

February 2005

Direct Energy Regulated Services

ON- System ATCO South 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	2,000	6.3306	12,661.20	6.3306
3	0	0.0000	0.00	0.0000	0	0.0000	15,000	6.2285	93,427.50	6.2285
4	0	0.0000	0.00	0.0000	0	0.0000	12,500	6.2531	78,163.75	6.2567
5	0	0.0000	0.00	0.0000	0	0.0000	12,500	6.2531	78,163.75	6.2567
6	0	0.0000	0.00	0.0000	0	0.0000	12,500	6.2531	78,163.75	6.2567
7	0	0.0000	0.00	0.0000	0	0.0000	13,500	6.1986	83,681.10	6.1986
8	0	0.0000	0.00	0.0000	0	0.0000	10,500	6.2218	65,328.90	6.2218
9	0	0.0000	0.00	0.0000	0	0.0000	20,000	6.3153	126,306.00	6.3153
10	0	0.0000	0.00	0.0000	0	0.0000	8,000	6.2622	50,097.60	6.2622
11	0	0.0000	0.00	0.0000	0	0.0000	3,000	6.1530	18,459.00	6.1605
12	0	0.0000	0.00	0.0000	0	0.0000	3,000	6.1530	18,459.00	6.1605
13	0	0.0000	0.00	0.0000	0	0.0000	18,000	6.1530	110,754.00	6.1605
14	0	0.0000	0.00	0.0000	0	0.0000	34,000	6.0801	206,722.40	6.0786
15	0	0.0000	0.00	0.0000	0	0.0000	24,500	6.1777	151,353.65	6.1777
16	0	0.0000	0.00	0.0000	0	0.0000	14,000	6.2151	87,011.40	6.2151
17	0	0.0000	0.00	0.0000	0	0.0000	19,000	6.1470	116,793.00	6.1470
18	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.0120	99,198.00	6.0306
19	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.0120	99,198.00	6.0306
20	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.0120	99,198.00	6.0306
21	0	0.0000	0.00	0.0000	0	0.0000	16,500	6.0120	99,198.00	6.0306
22	0	0.0000	0.00	0.0000	0	0.0000	24,000	6.0212	144,508.80	6.0212
23	0	0.0000	0.00	0.0000	0	0.0000	15,500	6.2504	96,881.20	6.2504
24	0	0.0000	0.00	0.0000	0	0.0000	29,500	6.5348	192,776.60	6.5348
25	0	0.0000	0.00	0.0000	0	0.0000	24,500	6.5292	159,965.40	6.5267
26	0	0.0000	0.00	0.0000	0	0.0000	24,500	6.5292	159,965.40	6.5267
27	0	0.0000	0.00	0.0000	0	0.0000	24,500	6.5292	159,965.40	6.5267
28	0	0.0000	0.00	0.0000	0	0.0000	34,000	6.7729	230,278.60	6.7729
	0		0.00	TOTALS	0		464,500		2,916,679.40	

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

February 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
4	70,000	6.2781	439,467	6.2567
5	150,000	6.2895	943,425	6.2603
6	210,000	6.2802	1,318,839	6.2359
7	150,000	6.2334	935,003	6.1986
8	250,000	6.2428	1,560,700	6.2218
9	70,000	6.3403	443,821	6.3153
14	150,000	6.1003	915,040	6.0786
15	245,000	6.1978	1,518,462	6.1777
16	150,000	6.2368	935,515	6.2151
17	85,000	6.1720	524,620	6.1470
18	100,000	6.0482	604,816	6.0306
19	140,000	6.0869	852,172	6.1019
20	120,000	6.1064	732,768	6.1508
21	60,000	6.0370	362,220	6.0040
22	80,000	6.0400	483,196	6.0212
24	30,000	6.5598	196,794	6.5348
25	30,000	6.5442	196,326	6.5267
26	70,000	6.8657	480,596	6.8428
27	45,000	6.8592	308,664	6.8342
28	25,000	6.7879	169,698	6.7729
TOTALS	2,230,000		13,922,140	

Schedule R 10 H S - Actual Spot Gas Purchases by Delivery Day
February 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	7,500	6.2850	47,138	6.2567
5	7,500	6.2886	47,165	6.2603
6	7,500	6.2814	47,111	6.2359
7	12,500	6.2264	77,830	6.1986
8	8,000	6.2468	49,974	6.2218
9	5,000	6.3403	31,702	6.3153
10	11,000	6.2917	69,209	6.2622
11	7,500	6.1875	46,406	6.1605
12	7,500	6.2018	46,514	6.1748
13	7,500	6.1800	46,350	6.0945
14	12,000	6.1053	73,263	6.0786
15	11,000	6.2045	68,250	6.1777
16	8,000	6.2426	49,941	6.2151
17	7,000	6.1763	43,234	6.1470
18	13,000	6.0591	78,768	6.0306
19	13,000	6.1304	79,695	6.1019
20	13,000	6.1793	80,330	6.1508
21	13,000	6.0405	78,526	6.0040
22	8,000	6.0500	48,400	6.0212
23	8,000	6.2792	50,233	6.2504
24	8,500	6.5639	55,793	6.5348
25	7,000	6.5571	45,899	6.5267
26	7,000	6.8707	48,095	6.8428
27	7,000	6.8621	48,034	6.8342
28	11,000	6.8024	74,827	6.7729
TOTALS	228,000		1,432,686	

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

February 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	02/01/2005	02/28/2005	1,820,000	6.164	11,219,208
183174	02/01/2005	02/28/2005	7,671	6.042	46,349
185436	02/01/2005	02/28/2005	210	7.337	1,541
180894	02/01/2005	02/28/2005	4,344	6.014	26,126
180894	02/01/2005	02/28/2005	1,284	6.014	7,722
180946	02/01/2005	02/28/2005	1,016	6.039	6,136
180947	02/01/2005	02/28/2005	818	4.315	3,530
Total Long Term Indexed			1,835,343	6.164	11,310,612
188024	02/01/2005	02/28/2005	448,000	6.161	2,759,940
188026	02/01/2005	02/28/2005	560,000	6.161	3,449,925
188322	02/01/2005	02/28/2005	280,000	6.163	1,725,662
188331	02/01/2005	02/28/2005	280,000	6.161	1,724,962
188605	02/01/2005	02/28/2005	140,000	6.168	863,531
188822	02/01/2005	02/28/2005	84,000	6.161	517,489
194696	02/01/2005	02/28/2005	364,000	6.164	2,243,842
Total Short Term(Monthly Index)			2,156,000	6.162	13,285,351

April 25, 2005

**Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
February 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>
192420	02/01/2005	02/28/2005	280,000	6.164	1,726,032
201479	02/01/2005	02/28/2005	95,000	6.124	581,818
193578	02/01/2005	02/28/2005	20,000	6.162	123,238
193678	02/01/2005	02/28/2005	560,000	6.162	3,450,664
194419	02/01/2005	02/28/2005	20,000	6.162	123,238
194420	02/01/2005	02/28/2005	560,000	6.164	3,452,064
Total Short Term(Monthly Index)			1,535,000	6.161	9,457,054

April 25, 2005

SECTION 3
FORECAST MONTH SCHEDULES

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

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

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

Line	Description	Units	Forecast April 25, 2005
1	AECO Monthly Index	TJ	1,940
2	AECO Daily Index	TJ	2,785
3	Other	TJ	16
	Total	TJ	4,740

April 25, 2005

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

SCHEDULE F-2
FORECAST UNIT GAS PRICES
May 2005

Line	Description	UNIT	Forecast April 25, 2005
1	AECO Monthly Index	\$/GJ	7.4099
2	AECO Daily Index (1)	\$/GJ	7.2942

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including April 25, 2005 on the AECO/NGX Intra-Alberta May (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the May, AECO/NGX Intra-Alberta Settlement prices on April 19, 20, 21, 22 & 25, 2005.

In order to zero the forecast balance of the DGA on May 31, 2005, a GCFR of \$5.790/GJ should be implemented on May 01, 2005. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
GAS COST FLOW THROUGH RATE DERIVATION

May 2005

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	7,500
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 14, Column E	34,959
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	203
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	27,256
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	4,707
8	GCFR Less UFG Cost	\$/GJ	Line 6 divided by Line 7	5.790

SPECIAL NOTES

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

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

April 25, 2005

Supply Sources	Security Type	Credit Charge (bp)	January Payable	February Payable	March Payable	April Payable	May Payable	Actual Feb-05	Estimate Mar-05	Estimate Apr-05	Forecast May-05
(SOUTH)											
ATCO Gas Supply Contracts											
Acclaim Energy Partnership	N/A		37,240	33,849	36,171	33,480	0				
ATCO	PCG	40.0	58,271	47,890	53,845	43,635	0	33	31	30	15
Enerplus Resources Corporation	N/A		6,527	6,136	5,897	6,269	0				
Husky Energy	PCG	40.0	0	0	0	23,015	0	0	0	6	8
Linray Energy Inc.	N/A		4,215	3,530	4,286	3,405	0				
Shell Canada Limited	PCG	40.0	13,273,611	11,219,208	12,628,408	9,571,905	0	7,541	7,248	6,868	3,191
Forecast (with credit support)	PCG	40.0	0	0	0	0	10,336,811	0	0	0	2,871
Forecast (without credit support)			0	0	0	0	114,853				
Sub Total			13,379,864	11,310,613	12,728,607	9,681,709	10,451,664	7,574	7,279	6,904	6,085
DEML Supply Contracts											
Counterparty 1	PCG	40.0	2,042,094	0	0	636,327	0	681	0	177	212
Counterparty 2	PCG	40.0	3,069,740	2,064,764	2,449,960	1,840,081	0	1,597	1,369	1,328	613
Counterparty 3	PCG	40.0	1,613,593	1,529,890	1,274,933	1,160,261	0	963	864	747	387
Counterparty 4	PCG	40.0	8,114,614	4,195,609	4,526,773	3,420,544	0	3,870	2,656	2,459	1,140
Counterparty 5	PCG	40.0	20,316,953	6,579,271	8,610,197	9,547,614	0	8,600	4,585	5,522	3,183
Counterparty 6	N/A		95,040	94,533	83,422	14,227	0				
Counterparty 7	PCG	40.0	6,277,915	0	0	21,560	0	2,093	0	6	7
Counterparty 8	PCG	40.0	535,913	3,752,998	383,613	1,920,467	0	1,221	1,358	661	640
Counterparty 9	N/A		738,548	1,238,107	0	1,129,998	0				
Counterparty 10	PCG	40.0	612,363	547,932	582,517	0	0	356	344	194	0
Counterparty 11	PCG	40.0	0	61,377	165,223	51,538	0	17	66	69	17
Counterparty 12	PCG	40.0	6,621,852	6,519,074	8,153,612	6,528,578	0	4,018	4,438	4,531	2,176
Counterparty 13	PCG	40.0	2,166,635	1,758,385	2,261,092	159,009	0	1,211	1,214	798	53
Counterparty 14	PCG	40.0	6,572,940	3,570,195	4,192,657	2,127,090	0	3,183	2,355	1,988	709
Counterparty 15	PCG	40.0	5,047,575	6,519,659	2,889,847	0	0	3,494	2,976	963	0
Counterparty 16	PCG	40.0	4,949,297	4,579,947	6,289,687	2,274,226	0	2,922	3,274	2,728	758
Counterparty 99	PCG	40.0	0	0	0	8,021,228	0	0	0	2,228	2,674
Forecast (with credit support)	PCG	40.0	0	0	0	0	18,255,145	0	0	0	5,071
Sub Total			68,775,072	43,011,741	41,863,533	38,852,748	18,255,145	34,226	25,499	24,399	17,640
Natural Gas Exchange	N/A		11,173,270	5,033,197	5,118,160	828,366	0				
Forecast			0	0	0	0	6,093,645				
Sub Total			11,173,270	5,033,197	5,118,160	828,366	6,093,645				
Required LC	L/C	47.5	60,000,000	37,500,000	37,500,000	15,000,000	15,000,000	14,844	14,844	5,938	5,938
PCG to Bank to Support LC	PCG	40.0	60,000,000	37,500,000	37,500,000	15,000,000	15,000,000	12,500	12,500	5,000	5,000
Sub Total								27,344	27,344	10,938	10,938
TOTAL			93,328,206	59,355,551	59,710,300	49,362,823	34,800,454	69,144	60,122	42,241	34,663

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 \$75,000,000 on February 1, 2005, and it was reduced to \$30,000,000 on April 1, 2005.

April 25, 2005

DIRECT ENERGY REGULATED SERVICES SOUTH DGA

May 2005