

**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 **\$5.386/GJ** for Direct Energy Regulated Services (DERS) gas customers for October 2007.

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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 September 24, 2007.

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 October 31, 2007, a GCFR of \$5.386/GJ should be implemented for DERS Gas Customers on October 01, 2007.

**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 Jul-07	Estimate Aug-07	Estimate Sep-07	Forecast Oct-07
1	Opening Cumulative DGA Balance	\$,000	2,128	1,797	1,670	477	(1,655)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	0	8,819	9,854	13,276	26,356
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(18)	(154)	(1)	(7)	0
6	<b>Total Gas Supply Costs</b>	\$,000	(18)	8,665	9,853	13,270	26,356
<b><u>Adjustments</u></b>							
7	Transportation	\$,000	0	10	8	15	18
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	0	28	28	28	28
10	Bad Debts	\$,000	0	140	142	140	133
11	DGA Balance	\$,000	0	17	17	17	16
12	Credit Charge	\$,000	0	11	10	11	15
13	<b>Net Gas Costs</b>	\$,000	(18)	8,872	10,058	13,481	26,567
<b><u>Recoveries</u></b>							
14	Calendar Sales	\$,000	(349)	7,825	8,462	11,014	28,109
15	Transportation Imbalance Sales	\$,000	0	10	0	0	0
16	Excess System Sales	\$,000	0	791	282	216	0
17	Penalty Revenue	\$,000	0	119	121	119	113
18	<b>Total Recoveries</b>	\$,000	(349)	8,745	8,865	11,349	28,222
19	Current DGA Balance	\$,000	(331)	(126)	(1,193)	(2,132)	1,655
20	<b>Closing Cumulative DGA Balance</b>	\$,000	1,797	1,670	477	(1,655)	0

September 24, 2007

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

Line	Description	Units	A Actual Jul-07	B Estimate Aug-07	C Estimate Sep-07	D Forecast Oct-07
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	1,465	1,992	2,786	5,249
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	11	0	0	0
4	<b>Total Energy</b>	TJ	<b>1,476</b>	<b>1,992</b>	<b>2,786</b>	<b>5,249</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	<b>Net Energy</b>	TJ	<b>1,476</b>	<b>1,992</b>	<b>2,786</b>	<b>5,249</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	1,597	1,482	2,721	5,219
8	Transportation Imbalance Sales	TJ	2	0	0	0
9	Excess System Sales	TJ	154	59	49	0
10	<b>Total Recoveries</b>	TJ	<b>1,752</b>	<b>1,542</b>	<b>2,770</b>	<b>5,219</b>
11	<b>Load Balancing / UFG Estimate</b>	TJ	276	(450)	(16)	(30)

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for July 2007.

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-1 shows the forecast and actual DGA cost and recovery components for July 2007 as of June 25, 2007 and September 24, 2007 respectively.

**SCHEDULE R-1**  
**FORECAST & ACTUAL DGA COSTS AND RECOVERIES**

**July 2007**

Line	Description	Units	Forecast June 25, 2007	Actual Sept 24, 2007	Actual less Forecast
	<b><u>Gas Supply Costs</u></b>				
1	Purchases	\$,000	11,778	8,819	(2,959)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(154)	(154)
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>11,778</b>	<b>8,665</b>	<b>(3,113)</b>
	<b><u>Adjustments</u></b>				
6	Transportation	\$,000	12	10	(3)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement	\$,000	28	28	0
9	Gas Supply - Related Bad Debts	\$,000	143	140	(3)
10	DGA Balance	\$,000	17	17	0
11	Credit Charge	\$,000	13	11	(1)
12	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>11,992</b>	<b>8,872</b>	<b>(3,120)</b>
	<b><u>Recoveries</u></b>				
13	Calendar Sales	\$,000	9,054	7,825	(1,229)
14	Transportation Imbalance Sales	\$,000	0	10	10
15	Excess System Sales	\$,000	0	791	791
16	Penalty Revenue	\$,000	122	119	(2)
17	<b>Total Recoveries</b>	<b>\$,000</b>	<b>9,176</b>	<b>8,745</b>	<b>(431)</b>

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-2 shows the forecast and actual DGA energy balance for July 2007 as of June 25, 2007 and September 24, 2007. It also shows the normal and actual degree days for July 2007.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**July 2007**

Line	Description	Units	Forecast June 25, 2007	Actual Sept 24, 2007	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	1,858	1,465	(392)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	11	11
<hr/>					
4	<b>Total Energy</b>	TJ	<b>1,858</b>	<b>1,476</b>	<b>(381)</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	<b>Net Energy</b>	TJ	<b>1,858</b>	<b>1,476</b>	<b>(381)</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	1,849	1,597	(252)
8	Transportation Imbalance Sales	TJ	0	2	2
9	Excess System Sales	TJ	0	154	154
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>1,849</b>	<b>1,752</b>	<b>(97)</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(9)</b>	<b>276</b>	<b>285</b>
12	Degree Days	DD	28	4	(24)

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-3 shows the actual DGA purchase gas components for July 2007 as of September 24, 2007.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**July 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual September 24, 2007</b>
1	ON-System ATCO Supplies	\$,000	8,432
2		TJ	1,387
3		\$/GJ	6.081
4	Nova Inventory Transfer Supplies	\$,000	378
5		TJ	75
6		\$/GJ	5.036
7	Total Purchases	\$,000	8,809
8		TJ	1,462
9		\$/GJ	6.027

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-4 shows the actual DGA ON-System ATCO South gas components for July 2007 as of September 24, 2007.

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

		<b>July 2007</b>	<b>Actual September 24, 2007</b>
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	8,061
2		TJ	1,313
3		\$/GJ	6.138
4	Total Long Term	\$,000	8,061
5		TJ	1,313
6		\$/GJ	6.138
7	Short Term (Monthly Index)	\$,000	0
8		TJ	0
9		\$/GJ	0.000
10	Short Term (Daily Index)	\$,000	371
11		TJ	73
12		\$/GJ	5.054
13	Total Short Term	\$,000	371
14		TJ	73
15		\$/GJ	5.054
16	Total ON-System ATCO Supplies	\$,000	8,432
17		TJ	1,387
18		\$/GJ	6.081

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**SECTION 5**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for July 2007 as of September 24, 2007.

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

		July 2007	Actual September 24, 2007
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	0
8		TJ	0
9		\$/GJ	0.000
10	Short Term (Daily Index)	\$,000	378
11		TJ	75
12		\$/GJ	5.036
13	Total Short Term	\$,000	378
14		TJ	75
15		\$/GJ	5.036
16	Total Nova Inventory Transfer Supplies	\$,000	378
17		TJ	75
18		\$/GJ	5.036

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-6 shows the forecast and actual unit gas prices for July 2007 as of June 25, 2007 and September 24, 2007 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**July 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast June 25, 2007</b>	<b>Actual Sept 24, 2007</b>	<b>Actual less Forecast</b>
1	AECO Monthly Index	\$/GJ	6.3715	6.1388	(0.2327)
2	AECO Daily INDEX	\$/GJ	6.2045	5.1039	(1.1006)

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including June 22, 2007 on the AECO/NGX Intra-Alberta July (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 June 30, 2007 on the AECO/NGX Intra-Alberta July (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the July, AECO/NGX Intra-Alberta Settlement prices on June 18, 19, 20, 21 & 22, 2007.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in July, 2007 as reported by NGX and includes all weekend deals.

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**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

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Schedule R-7 shows the actual contract storage and transportation costs for July 2007 as of September 24, 2007.

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**  
**July 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual September 24, 2007</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	8
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	0
	Total		10

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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**

**July 2007**

**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	(20,000)	4.8870	(97,740.00)	4.8642	0	0.0000	0	0.0000	0.00	5.2453
2	(37,000)	5.4959	(203,350.00)	5.4803	0	0.0000	0	0.0000	0.00	5.0953
5	(10,000)	5.2020	(52,020.00)	5.2475	0	0.0000	0	0.0000	0.00	5.2469
11	11,000	5.2136	57,350.00	5.1776	0	0.0000	0	0.0000	0.00	5.5168
14	(9,000)	5.4556	(49,100.00)	5.4456	0	0.0000	0	0.0000	0.00	5.5442
15	(17,000)	5.1600	(87,720.00)	5.1600	0	0.0000	0	0.0000	0.00	5.4193
16	(8,000)	5.1525	(41,220.00)	5.1359	0	0.0000	0	0.0000	0.00	5.1562
17	(2,000)	5.1400	(10,280.00)	5.1647	0	0.0000	0	0.0000	0.00	5.1441
20	(3,000)	5.1000	(15,300.00)	5.0869	0	0.0000	0	0.0000	0.00	5.2829
21	(8,000)	5.0144	(40,115.00)	5.0151	0	0.0000	0	0.0000	0.00	5.1079
22	(20,000)	4.8965	(97,930.50)	4.8913	0	0.0000	0	0.0000	0.00	5.0140
23	(9,600)	4.6500	(44,640.00)	4.6461	0	0.0000	0	0.0000	0.00	4.8813
25	3,000	4.7400	14,220.00	4.7456	0	0.0000	0	0.0000	0.00	4.5473
26	6,000	4.7500	28,500.00	4.8149	0	0.0000	0	0.0000	0.00	4.7470
29	(10,000)	5.1300	(51,300.00)	5.1268	0	0.0000	0	0.0000	0.00	4.7931
31	50,000	5.0950	254,750.00	5.0520	0	0.0000	0	0.0000	0.00	5.1139
	(83,600)		(435,895.50)	<b>TOTALS</b>	0		0		0.00	

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**Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day**  
**July 2007**  
**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
4	2,000	5.2600	10,520.00	0.0000	0	0.0000	5,000	5.2552	26,276.00	5.3027
5	0	0.0000	0.00	0.0000	0	0.0000	6,000	5.1994	31,196.40	5.2469
9	0	0.0000	0.00	0.0000	0	0.0000	9,900	5.1625	51,109.15	5.2085
11	0	0.0000	0.00	0.0000	0	0.0000	9,000	5.4693	49,223.70	5.5168
12	0	0.0000	0.00	0.0000	0	0.0000	6,200	5.1322	31,819.70	5.1835
25	23,000	4.7000	108,100.00	0.0000	0	0.0000	0	0.0000	0.00	4.5473
31	12,300	5.0964	62,686.00	0.0000	0	0.0000	0	0.0000	0.00	5.1139
	37,300		181,306.00	<b>TOTALS</b>	0		36,100		189,624.95	

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

**July 2007**

**PEAKING Demand Supply Contracts**

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)		AECO Daily
	GJ's	Avg. Cost	Total Cost	Index
		\$/GJ	\$	\$/GJ
2	0	0.0000	0	5.0953
25	5,000	4.5723	22,862	4.5473
26	0	0.0000	0	4.7470
<b>TOTALS</b>	5,000		22,862	

Schedule R 10 I S - Long Term & Short Term Purchases  
July 2007

**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>
263586	07/01/2007	07/31/2007	788	6.276	4,946
180946	07/01/2007	07/31/2007	574	6.014	3,452
185436	07/01/2007	07/31/2007	6,736	6.042	40,700
180893	07/01/2007	07/31/2007	1,305,100	6.139	8,011,748
<b>Total Long Term Indexed</b>			<b>1,313,198</b>	<b>6.138</b>	<b>8,060,845</b>

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**SECTION 3**  
**FORECAST MONTH SCHEDULES**

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This section provides details of the Deferred Gas Account (DGA) components for October 2007.

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 October 2007.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for October 2007.

Schedule F-1 shows the forecast of gas purchases for October 2007 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**  
**October 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast September 24, 2007</b>
1	AECO Monthly Index	TJ	2,013
2	AECO Daily Index	TJ	3,224
3	Other	TJ	12
	Total	TJ	5,249

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Schedule F-2 shows the forecast of the unit gas prices for October 2007.

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**October 2007**

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast September 24, 2007</b>
1	AECO Monthly Index	\$/GJ	4.9604
2	AECO Daily Index (1)	\$/GJ	5.0600

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including September 21, 2007 on the AECO/NGX Intra-Alberta October (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the October, AECO/NGX Intra-Alberta Settlement prices on September 17, 18, 19, 20 & 21, 2007.

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In order to zero the forecast balance of the DGA on October 31, 2007, a GCFR of \$5.386/GJ should be implemented on October 01, 2007. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3**  
**GAS COST FLOW THROUGH RATE DERIVATION**

**October 2007**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Reference</b>	<b>Value</b>
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(1,655)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	26,567
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	113
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	28,109
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	5,219
8	GCFR	\$/GJ	Line 6 divided by Line 7	5.386

**SPECIAL NOTES**

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

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

**September 24, 2007**

Supply Sources	Security Type	Credit Charge (bp)	June Payable	July Payable	August Payable	September Payable	October Payable	Actual Jul-07	Estimate Aug-07	Estimate Sep-07	Forecast Oct-07
<b>(SOUTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
ATCO	PCG	40.0	43,908	40,700	33,957	42,921	0	26	23	23	14
Canetic Resources Inc.	N/A		7,175	4,946	5,630	5,104	0				
Enerplus Resources Corporation	N/A		4,974	3,452	4,276	3,890	0				
Shell Canada Limited	PCG	40.0	8,658,749	8,011,748	6,593,104	6,007,207	0	5,042	4,528	3,886	1,975
Forecast (with credit support)	PCG	40.0	0	0	0	0	6,412,309	0	0	0	1,757
Forecast (without credit support)			0	0	0	0	61,509				
<b>Sub Total</b>			8,714,806	8,060,846	6,636,967	6,059,122	6,473,818	5,068	4,551	3,909	3,746
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	0	0	0	190,028	0	0	0	52	62
Counterparty 2	PCG	40.0	368,699	0	255,647	607,190	0	121	70	253	200
Counterparty 3	PCG	40.0	1,128,671	51,000	401,505	780,452	0	385	127	350	257
Counterparty 4	PCG	40.0	545,693	0	194,321	741,876	0	179	53	269	244
Counterparty 5	N/A		253,081	0	280,875	59,075	0				
Counterparty 6	PCG	40.0	0	0	0	23,200	0	0	0	6	8
Counterparty 7	PCG	40.0	92,100	0	0	212,409	0	30	0	58	70
Counterparty 8	PCG	40.0	169,501	22,862	43,522	0	0	62	20	15	0
Counterparty 9	PCG	40.0	157,059	10,939	22,468	172,363	0	55	10	55	57
Counterparty 10	PCG	40.0	1,038,744	195,538	355,652	120,458	0	395	164	154	40
Counterparty 11	PCG	40.0	65,800	0	0	23,150	0	22	0	6	8
Counterparty 12	PCG	40.0	0	0	0	9,158	0	0	0	3	3
Counterparty 13	PCG	40.0	276,292	101,400	400,450	428,575	0	119	144	253	141
Counterparty 99	PCG	40.0	0	0	0	3,247,000	0	0	0	890	1,068
Forecast (with credit support)	PCG	40.0	0	0	0	0	14,989,323	0	0	0	4,107
<b>Sub Total</b>			4,095,640	381,739	1,954,440	6,614,934	14,989,323	1,368	588	2,364	6,265
<b>Natural Gas Exchange</b>											
Forecast	N/A		198,993	(423,841)	979,555	386,497	0				
<b>Sub Total</b>			198,993	(423,841)	979,555	386,497	4,893,279				
Required LC	L/C	37.5	12,500,000	7,500,000	7,500,000	7,500,000	7,500,000	2,389	2,389	2,312	2,389
PCG to Bank to Support LC	PCG	40.0	12,500,000	7,500,000	7,500,000	7,500,000	7,500,000	2,548	2,548	2,466	2,548
<b>Sub Total</b>								4,937	4,937	4,778	4,937
<b>TOTAL</b>			13,009,439	8,018,744	9,570,962	13,060,553	26,356,420	11,373	10,076	11,051	14,948

Footnote:

\* 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.

September 24, 2007

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**DIRECT ENERGY REGULATED SERVICES SOUTH DGA**

**October 2007**