

July 25, 2005

Alberta Energy and Utilities Board
10th Floor, 10055 – 106 St.
Edmonton, Alberta T5J 2Y2

**Attention: Becky Torrance
Manager, Edmonton Office
Utilities Branch**

Dear Ms. Torrance:

**Re: Direct Energy Regulated Services Gas Cost Flow-through Rates for ATCO
Gas South Service Territory for August 2005**

Direct Energy Regulated Services (DERS) is filing with the Alberta Energy and Utilities Board (Board or EUB) a proposed Gas Cost Flow-through Rate (GCFR) for the month of August 2005 for the service territory of ATCO Gas South. The GCFR Rate Schedule attached indicates a rate applicable for the South Rate 1 and 3 customers of \$7.518 per GJ and a rate of \$7.084 for Rate 5 customers. The DGA package used to derive this rate is also attached.

DERS has included in Appendix A the derivation of the monthly amounts included in the August filing that relate to ATCO Gas' Imbalance and Production Adjustment Application 1347852. Additional price and weather data relating to the June and July 2005 period as well as some explanatory notes relating to the prior period adjustments have been included in the attached document titled Appendix B - South.

Should you require additional information please contact the undersigned at 403-290-4635.

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki
Senior Analyst, Government & Regulatory Affairs, Western Region
Direct Energy Marketing Limited
*Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited*

Approved by Decision 2003-106
Effective August 1, 2005
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**DIRECT ENERGY REGULATED SERVICES
Rider "F" GAS COST FLOW-THROUGH
ATCO GAS SOUTH SERVICE TERRITORY**

To be applied to all energy sold to customers served under Rates G1 and G3.

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period August 1, 2005 to August 31, 2005 **\$7.518 per GJ**

To be applied to all energy sold to customers served under Rate G5.

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period August 1, 2005 to August 31, 2005 **\$7.084 per GJ**