

July 26, 2004

VIA E-MAIL

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 2004**

Direct Energy Regulated Services, a business unit of Direct Energy Marketing Limited, (DERS), is filing with the Alberta Energy and Utilities Board (Board or EUB) proposed Gas Cost Flow-through Rates (GCFRs) for the month of August, 2004 for the service territory of ATCO Gas South. The GCFR Rate Schedules attached indicate a rate applicable for the South of \$6.792 per GJ. The DGA packages used to derive this rate are also attached. As per the Board's letter dated July 8, 2004 respecting Application No. 1352083, imbalance costs and volumes for March, April, and May have been included on Schedules M-1 and M-2 respectively.

Should you require additional information please contact the undersigned at 403-290-7745 or Corinne Grudecki at 403-290-4635.

Yours truly,



Gary Newcombe
Director, Regulatory Affairs, Western Region
Direct Energy Marketing Limited
*Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited*

cc: DERS GCFR Distribution List

Approved by Decision 2003-106
Effective August 1, 2004
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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, G3 and G5.

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period August 1, 2004 to August 31, 2004

\$6.792 per GJ