

February 22, 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 March 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 March 2005 for the service territory of ATCO Gas South. The GCFR Rate Schedule attached indicates a rate applicable for the South of \$6.057 per GJ. The DGA package used to derive this rate is also attached.

Included as part of the DGA package, DERS has included as Schedule R-10 IS and R-10 JS the supporting details for the Long Term Indexed and Short Term (monthly index) trades as reported on R-4 and R-5. DERS has also included reconciliation schedules as a separate attachment labeled South – Detailed Reconciliation Schedules (Mar 05). This attachment includes the R-10 A S (DETAIL) which has been provided to reconcile to the R-4 and R-5 Schedules.

Additional price and weather data relating to the February 2005 period has also been attached as Appendix A - South.

Finally, DERS has included a reconciliation package of the May – December 2004 non-energy components included in the DGA. DERS has provided a detailed reconciliation of the forecast and actual monthly amounts of procurement costs, working capital, bad debt and penalty revenue. As shown on Schedule M-1, DERS is proposing to collect the entire shortfall of \$1,137,000 during the month of March which is consistent with the direction given by the EUB on page 135 of Decision 2003-106.

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

Yours truly,



Gary Newcombe, P. Eng.
Director, 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 March 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, G3 and G5.

Gas Cost Flow-through Rate:

For customers served by ATCO Gas and Pipelines South:

For the Period March 1, 2005 to March 31, 2005

\$6.057 per GJ