

By Email and Mail

File No: 8600-D1-2
Application No. 1347032

May 28, 2004

Mr. Gary Newcombe
Director, Regulatory Affairs, Western Region
Direct Energy Marketing Limited
111 5 AV SW SUITE 1000
CALGARY AB T2P 3Y6

Dear Mr. Newcombe:

**DIRECT ENERGY REGULATED SERVICES (DERS) - SOUTH
GAS COST FLOW-THROUGH RATE (GCFR)
MONTH OF JUNE 2004**

The Alberta Energy and Utilities Board (the Board) is in receipt of the letter from Direct Energy Regulated Services, a Business Unit of Direct Energy Marketing Limited, dated May 25, 2004 requesting a proposed GCFR of \$8.313 per gigajoule (GJ), for customers served in the ATCO Gas South (AGS) service territory during the month of June, 2004.

The Board has reviewed the request, and accepts that the above noted GCFR was determined in accordance with the directions previously issued to gas utilities subject to the Board's jurisdiction in Decision 2001-75, dated October 30, 2001, and more specifically to AGS in Decision 2002-034, dated March 21, 2002 and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the Board acknowledges that, as set out in DERS Rider "F" for the ATCO Gas South Service Territory, the GCFR of \$8.313/GJ is appropriate to be applied to all energy sold to customers served under Rates G1, G3 and G5 for customers served by ATCO Gas and Pipelines Ltd. - South for the period June 1, 2004 to June 30, 2004.

As directed in Decision 2001-75, a 30-day review period is provided for parties to raise any concerns with a gas cost recovery rate. As DERS is the Default Service Provider for ATCO Gas, the 30-day review period would be similarly applicable to DERS's GCFR.

Yours truly,

(original signed by)

B. Torrance
Manager, Edmonton Office
Utilities Branch

pc: Emailed to the ATCO Gas South GCRR/DERS South GCFR list