

**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 \$5.894/GJ for Direct Energy Regulated Services (DERS) gas customers for July 2006.

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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 June 26, 2006.

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 July 31, 2006, a GCFR of \$5.894/GJ should be implemented for DERS Gas Customers on July 01, 2006.

**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 Apr-06	Estimate May-06	Estimate Jun-06	Forecast Jul-06
1	Opening Cumulative DGA Balance	\$,000	17	(842)	920	3,647	(146)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	0	30,933	20,686	11,809	12,758
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	1	2,810	(4)	3	0
6	<b>Total Gas Supply Costs</b>	\$,000	1	33,743	20,683	11,812	12,758
<b><u>Adjustments</u></b>							
7	Transportation	\$,000	0	26	27	9	7
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement and Portfolio Management	\$,000	(14)	29	29	29	28
10	Bad Debts	\$,000	770	87	87	87	153
11	DGA Balance Carrying Costs	\$,000	166	(16)	(16)	(16)	18
12	Credit Charge	\$,000	0	39	29	23	18
13	<b>Net Gas Costs</b>	\$,000	923	33,907	20,839	11,944	12,983
<b><u>Recoveries</u></b>							
14	Calendar Sales	\$,000	117	34,235	21,892	6,914	13,000
15	Transportation Imbalance Sales	\$,000	0	3	0	0	0
16	Excess System Sales	\$,000	0	1,232	1,473	1,037	0
17	Penalty Revenue	\$,000	(53)	199	200	200	130
18	<b>Total Recoveries</b>	\$,000	64	35,669	23,565	8,151	13,130
19	Current DGA Balance	\$,000	(859)	1,762	2,726	(3,793)	147
20	<b>Closing Cumulative DGA Balance</b>	\$,000	(842)	920	3,647	(146)	0

June 26, 2006

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

Line	Description	Units	A Actual Apr-06	B Estimate May-06	C Estimate Jun-06	D Forecast Jul-06
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	4,879	3,529	2,173	2,239
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	448	0	0	0
4	<b>Total Energy</b>	TJ	<b>5,327</b>	<b>3,529</b>	<b>2,173</b>	<b>2,239</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	<b>Net Energy</b>	TJ	<b>5,327</b>	<b>3,529</b>	<b>2,173</b>	<b>2,239</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	4,857	3,378	1,942	2,206
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	206	285	185	0
10	<b>Total Recoveries</b>	TJ	<b>5,064</b>	<b>3,662</b>	<b>2,127</b>	<b>2,206</b>
11	<b>DGA UFG</b>	TJ	(263)	134	(46)	(33)

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for April 2006.

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

Schedule R-1 shows the forecast and actual DGA cost and recovery components for April 2006 as of March 27, 2006 and June 26, 2006 respectively.

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

**April 2006**

Line	Description	Units	Forecast March 27, 2006	Actual June 26, 2006	Actual less Forecast
	<b><u>Gas Supply Costs</u></b>				
1	Purchases	\$,000	41,630	30,933	(10,698)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	2,810	2,810
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>41,630</b>	<b>33,743</b>	<b>(7,887)</b>
	<b><u>Adjustments</u></b>				
6	Transportation	\$,000	45	26	(20)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement and Portfolio Management	\$,000	29	29	0
9	Bad Debts	\$,000	91	87	(4)
10	DGA Balance Carrying Costs	\$,000	(17)	(16)	1
11	Credit Charge	\$,000	52	39	(13)
12	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>41,830</b>	<b>33,907</b>	<b>(7,922)</b>
	<b><u>Recoveries</u></b>				
13	Sales	\$,000	44,716	34,235	(10,481)
14	Transportation Imbalance Sales	\$,000	0	3	3
15	Excess System Sales	\$,000	0	1,232	1,232
16	Penalty Revenue	\$,000	208	199	(9)
17	<b>Total Recoveries</b>	<b>\$,000</b>	<b>44,924</b>	<b>35,669</b>	<b>(9,254)</b>

June 26, 2006

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

Schedule R-2 shows the forecast and actual DGA energy balance for April 2006 as of March 27, 2006 and June 26, 2006. It also shows the normal and actual degree days for April 2006.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**April 2006**

Line	Description	Units	Forecast March 27, 2006	Actual June 26, 2006	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	6,457	4,879	(1,578)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	448	448
<hr/>					
4	<b>Total Energy</b>	TJ	<b>6,457</b>	<b>5,327</b>	<b>(1,130)</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	<b>Net Energy</b>	TJ	<b>6,457</b>	<b>5,327</b>	<b>(1,130)</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	6,344	4,857	(1,487)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	206	206
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>6,344</b>	<b>5,064</b>	<b>(1,281)</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(112)</b>	<b>(263)</b>	<b>(151)</b>
12	Degree Days	DD	271	181	(90)

June 26, 2006

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

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Schedule R-3 shows the actual DGA purchase gas components for April 2006 as of June 26, 2006.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**April 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual June 26, 2006</b>
1	ON-System ATCO Supplies	\$,000	23,449
2		TJ	3,715
3		\$/GJ	6.312
4	Nova Inventory Transfer Supplies	\$,000	7,481
5		TJ	1,163
6		\$/GJ	6.430
7	Total Purchases	\$,000	30,930
8		TJ	4,878
9		\$/GJ	6.340

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June 26, 2006

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

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Schedule R-4 shows the actual DGA ON-System ATCO North gas components for April 2006 as of June 26, 2006.

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

		April 2006	Actual June 26, 2006
Line	Description	Units	
1	Long Term Indexed	\$,000	2,099
2		TJ	320
3		\$/GJ	6.555
4	Total Long Term	\$,000	2,099
5		TJ	320
6		\$/GJ	6.555
7	Short Term (Monthly Index)	\$,000	12,342
8		TJ	1,950
9		\$/GJ	6.329
10	Short Term (Daily Index)	\$,000	9,007
11		TJ	1,445
12		\$/GJ	6.235
13	Total Short Term	\$,000	21,350
14		TJ	3,395
15		\$/GJ	6.289
16	Total ON-System ATCO Supplies	\$,000	23,449
17		TJ	3,715
18		\$/GJ	6.312

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June 26, 2006

**SECTION 5  
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for April 2006 as of June 26, 2006.

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

		<b>April 2006</b>	<b>Actual June 26, 2006</b>
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	394
2		TJ	51
3		\$/GJ	7.794
4	Total Long Term	\$,000	394
5		TJ	51
6		\$/GJ	7.794
7	Short Term (Monthly Index)	\$,000	1,895
8		TJ	300
9		\$/GJ	6.316
10	Short Term (Daily Index)	\$,000	5,192
11		TJ	813
12		\$/GJ	6.387
13	Total Short Term	\$,000	7,087
14		TJ	1,113
15		\$/GJ	6.368
16	Total Nova Inventory Transfer Supplies	\$,000	7,481
17		TJ	1,163
18		\$/GJ	6.430

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Schedule R-6 shows the forecast and actual unit gas prices for April 2006 as of March 27, 2006 and June 26, 2006 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**April 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast March 27, 2006</b>	<b>Actual June 26, 2006</b>	<b>Actual less Forecast</b>
1	AECO Monthly Index	\$/GJ	6.2729	6.3089	0.0360
2	AECO Daily INDEX	\$/GJ	6.5162	6.3023	(0.2139)

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including March 24, 2006 on the AECO/NGX Intra-Alberta April (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 March 31, 2006 on the AECO/NGX Intra-Alberta April (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the April, AECO/NGX Intra-Alberta Settlement prices on March 20, 21, 22, 23 & 24, 2006.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in April, 2006 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 April 2006 as of June 26, 2006.

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**  
**April 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual June 26, 2006</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	19
3	Transportation -- AP FSR	\$,000	7
	Total		26

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June 26, 2006

**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 N - Actual Spot Gas Purchases by Trade Day**

**April 2006**

**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	28,000	6.4375	180,250.00	6.3561	120,000	6.3575	60,000	6.3431	1,143,486.00	6.2463
3	0	0.0000	0.00	6.4243	0	0.0000	20,000	6.7014	134,028.00	6.6964
4	0	0.0000	0.00	6.6197	10,000	6.5700	15,000	6.6047	164,770.50	6.6047
5	(21,000)	6.4266	(134,958.60)	6.6432	15,000	6.4550	25,000	6.4101	257,077.50	6.4266
6	0	0.0000	0.00	6.4334	0	0.0000	5,000	6.4746	32,373.00	6.4946
7	0	0.0000	0.00	6.5057	10,000	6.0700	0	0.0000	60,700.00	6.0820
8	10,000	5.9900	59,900.00	6.0924	0	0.0000	0	0.0000	0.00	5.9120
9	0	0.0000	0.00	5.9268	36,000	5.8953	0	0.0000	212,230.00	5.9213
15	(11,000)	6.3129	(69,441.90)	6.2786	20,000	6.3275	5,000	6.3139	158,119.50	6.3129
16	0	0.0000	0.00	6.3206	0	0.0000	10,000	6.2112	62,112.00	6.2062
17	0	0.0000	0.00	6.2111	(23,500)	6.3299	25,000	6.2479	7,445.00	6.2479
18	0	0.0000	0.00	6.2283	57,500	6.6105	15,000	6.6188	479,387.00	6.6188
22	(12,000)	6.6521	(79,825.00)	6.7313	30,000	6.7800	0	0.0000	203,400.00	6.6737
23	11,700	6.5621	76,776.00	6.6859	0	0.0000	0	0.0000	0.00	6.6654
24	(21,800)	6.3377	(138,162.00)	6.6633	0	0.0000	0	0.0000	0.00	6.5884
27	(10,000)	5.5755	(55,755.00)	6.0557	0	0.0000	0	0.0000	0.00	5.7577
28	(11,600)	5.4236	(62,914.00)	5.7545	0	0.0000	0	0.0000	0.00	5.6010
29	(23,600)	5.1364	(121,220.00)	5.6130	0	0.0000	0	0.0000	0.00	5.4114
30	(32,686)	5.2952	(173,078.91)	5.1342	21,000	5.4119	0	0.0000	113,650.00	5.2952
	(93,986)		(518,429.41)	<b>TOTALS</b>	296,000		180,000		3,028,778.50	

June 26, 2006

**Schedule R 10 C N - Actual Spot Gas Purchases by Trade Day**

**April 2006**

**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
1	0	0.0000	0.00	0.0000	0	0.0000	72,000	6.3856	459,763.20	6.2463
3	0	0.0000	0.00	0.0000	0	0.0000	102,000	6.7229	685,737.80	6.6964
4	0	0.0000	0.00	0.0000	0	0.0000	59,800	6.6211	395,938.81	6.6047
5	8,000	6.4366	51,492.80	0.0000	0	0.0000	59,800	6.4348	384,802.68	6.4266
6	0	0.0000	0.00	0.0000	0	0.0000	80,800	6.4943	524,738.68	6.4946
7	0	0.0000	0.00	0.0000	0	0.0000	172,600	6.0684	1,047,408.00	6.0820
8	0	0.0000	0.00	0.0000	0	0.0000	30,000	6.0675	182,025.00	5.9120
10	0	0.0000	0.00	0.0000	0	0.0000	62,200	5.9695	371,303.17	5.9761
11	0	0.0000	0.00	0.0000	0	0.0000	71,530	6.0558	433,168.29	6.0688
12	0	0.0000	0.00	0.0000	0	0.0000	52,800	5.8634	309,586.80	5.8985
13	0	0.0000	0.00	0.0000	0	0.0000	280,828	5.7474	1,614,023.70	5.7855
15	0	0.0000	0.00	0.0000	0	0.0000	1,500	5.7936	8,690.40	6.3129
17	0	0.0000	0.00	0.0000	0	0.0000	66,582	6.2068	413,261.49	6.2479
18	0	0.0000	0.00	0.0000	0	0.0000	33,800	6.5830	222,506.44	6.6188
19	0	0.0000	0.00	0.0000	0	0.0000	30,070	6.9198	208,077.71	6.9502
20	0	0.0000	0.00	0.0000	0	0.0000	10,400	7.0355	73,168.84	7.0696
21	0	0.0000	0.00	0.0000	0	0.0000	83,000	6.7026	556,319.10	6.7709
22	0	0.0000	0.00	0.0000	0	0.0000	73,000	6.6801	487,644.10	6.6737
24	0	0.0000	0.00	0.0000	0	0.0000	30,000	6.5484	196,452.00	6.5884
27	0	0.0000	0.00	0.0000	0	0.0000	22,000	5.7018	125,439.40	5.7577
28	0	0.0000	0.00	0.0000	0	0.0000	15,000	5.5681	83,521.50	5.6010
30	0	0.0000	0.00	0.0000	0	0.0000	27,000	6.3803	172,268.70	6.3418
	8,000		51,492.80	<b>TOTALS</b>	0		1,436,710		8,955,845.81	

**Schedule R 10 D N - Actual Spot Gas Purchases by Trade Day**

**April 2006**

**Direct Energy Marketing Limited**

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
30	0	0.0000	0.00	0.0000	0	0.0000	8,000	6.3931	51,144.80	6.3418
	0		0.00	<b>TOTALS</b>	0		8,000		51,144.80	

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

**April 2006**

**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
1	0	0.0000	0	6.2463
15	150,000	6.2807	942,101	6.3129
18	0	0.0000	0	6.6188
22	75,000	6.7694	507,703	6.6737
24	0	0.0000	0	6.5884
<b>TOTALS</b>	225,000		1,449,803	

**Schedule R 10 I N - Long Term & Short Term Purchases**  
**April 2006**

**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>
180884	04/01/2006	04/30/2006	1,207	7.233	8,731
180885	04/01/2006	04/30/2006	10,743	6.189	66,487
180886	04/01/2006	04/30/2006	642	7.794	5,004
180887	04/01/2006	04/30/2006	16,500	7.794	128,598
180889	04/01/2006	04/30/2006	22,385	7.794	174,465
180941	04/01/2006	04/30/2006	16,023	7.389	118,393
183216	04/01/2006	04/30/2006	947	6.238	5,908
183217	04/01/2006	04/30/2006	19,963	6.238	124,537
183218	04/01/2006	04/30/2006	8,967	6.262	56,152
183219	04/01/2006	04/30/2006	200,735	6.278	1,260,116
185435	04/01/2006	04/30/2006	1,110	7.219	8,013
185506	04/01/2006	04/30/2006	8,493	6.138	52,132
191521	04/01/2006	04/30/2006	12,501	7.233	90,425
<b>Total Long Term Indexed</b>			<b>320,216</b>	<b>6.555</b>	<b>2,098,961</b>
220795	04/01/2006	04/30/2006	300,000	6.329	1,898,670
222214	04/01/2006	04/30/2006	300,000	6.329	1,898,670
222219	04/01/2006	04/30/2006	450,000	6.334	2,850,255
222302	04/01/2006	04/30/2006	300,000	6.312	1,893,660
242832	04/01/2006	04/30/2006	150,000	6.354	953,085
243609	04/01/2006	04/30/2006	450,000	6.329	2,848,005
<b>Total Short Term(Monthly Index)</b>			<b>1,950,000</b>	<b>6.329</b>	<b>12,342,345</b>

June 26, 2006

Schedule R 10 J N - Long Term & Short Term(Monthly Index) Purchases  
April 2006

**Direct Energy Regulated Services**

Nova Inventory Transfer Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
180939	04/01/2006	04/30/2006	9,690	7.794	75,522
180944	04/01/2006	04/30/2006	40,890	7.794	318,690
<b>Total Long Term Indexed</b>			<b>50,580</b>	<b>7.794</b>	<b>394,212</b>
243801	04/01/2006	04/30/2006	150,000	6.316	947,460
243813	04/01/2006	04/30/2006	150,000	6.316	947,460
<b>Total Short Term(Monthly Index)</b>			<b>300,000</b>	<b>6.316</b>	<b>1,894,920</b>

June 26, 2006

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

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This section provides details of the Deferred Gas Account (DGA) components for July 2006.

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 July 2006.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for July 2006.

Schedule F-1 shows the forecast of gas purchases for July 2006 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**  
**July 2006**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast June 26, 2006</b>
1	AECO Monthly Index	TJ	1,935
2	AECO Daily Index	TJ	226
3	Other	TJ	78
	Total	TJ	2,239

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June 26, 2006

Schedule F-2 shows the forecast of the unit gas prices for July 2006.

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**July 2006**

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast June 26, 2006</b>
1	AECO Monthly Index	\$/GJ	5.6913
2	AECO Daily Index (1)	\$/GJ	5.7670

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including June 23, 2006 on the AECO/NGX Intra-Alberta July (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the July, AECO/NGX Intra-Alberta Settlement prices on June 19, 20, 21, 22 & 23, 2006.

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In order to zero the forecast balance of the DGA on July 31, 2006, a GCFR of \$5.894/GJ should be implemented on July 01, 2006. Schedule F-3 shows how this rate is calculated.

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

**July 2006**

<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	(146)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	12,983
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	130
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	12,999
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	2,206
8	GCFR	\$/GJ	Line 6 divided by Line 7	5.894

**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

**June 26, 2006**

Supply Sources	Security Type	Credit Charge (bp)	March Payable	April Payable	May Payable	June Payable	July Payable	Actual Apr-06	Estimate May-06	Estimate Jun-06	Forecast Jul-06
<b>(NORTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
Advantage Oil & Gas Ltd.	N/A		117,220	128,598	132,885	128,598	0				
Anadarko Canada Corporation	PCG	40.0	68,840	75,522	0	0	0	44	25	0	0
Anterra Resources Services Inc.	N/A		87,504	66,487	108,003	0	0				
ATCO	PCG	40.0	15,207	8,013	(40)	(1,500)	0	7	3	0	0
Coastal Resources Limited	N/A		3,018	5,004	7,248	3,507	0				
Imperial Oil Resources	PCG	40.0	154,435	174,465	210,270	163,671	0	100	115	116	54
Keyspan	N/A		112,136	56,152	34,794	21,365	0				
Pan-Alberta Gas Ltd.	N/A		102,280	52,132	35,331	16,432	0				
Paramount Energy Ltd	N/A		276,869	130,445	107,169	94,550	0				
Penn West Petroleum Ltd.	N/A		113,439	118,393	114,174	118,593	0				
Petrofund Corp.	N/A		76,630	90,425	0	0	0				
Ridgmar Canada Inc.	N/A		7,638	8,731	0	0	0				
Suncor Energy Marketing Inc.	PCG	40.0	2,997,306	1,578,806	1,116,096	778,516	0	1,451	825	592	256
Forecast (with credit support)	PCG	40.0	0	0	0	0	347,738	0	0	0	95
Forecast (without credit support)			0	0	0	0	93,337				
<b>Sub Total</b>			4,132,522	2,493,173	1,865,930	1,323,732	441,075	1,602	968	708	405
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	440,965	549,230	284,079	34,848	0	300	258	106	11
Counterparty 2	PCG	40.0	3,206,222	1,949,735	1,936,260	1,596,210	0	1,623	1,171	1,095	525
Counterparty 3	PCG	40.0	8,757,270	4,691,651	3,842,829	1,701,540	0	4,260	2,595	1,772	559
Counterparty 4	PCG	40.0	4,071,934	0	0	0	0	1,383	0	0	0
Counterparty 5	PCG	40.0	9,052,217	3,974,600	1,650,497	306,819	0	4,164	1,759	645	101
Counterparty 6	PCG	40.0	411,773	672,879	661,303	228,554	0	324	402	287	75
Counterparty 7	PCG	40.0	2,250,331	468,795	53,548	0	0	893	169	18	0
Counterparty 8	N/A		0	2,637	(24,317)	(381,769)	0				
Counterparty 9	PCG	40.0	6,600,709	3,823,187	2,906,715	2,396,565	0	3,290	2,053	1,644	788
Counterparty 10	PCG	40.0	1,407,878	230,501	89,462	0	0	541	100	30	0
Counterparty 11	PCG	40.0	10,585,934	5,569,404	4,547,768	1,596,210	0	5,122	3,077	1,982	525
Counterparty 12	PCG	40.0	50,456	16,237	35,866	0	0	22	15	12	0
Counterparty 13	PCG	40.0	360,275	0	141,000	0	0	122	39	48	0
Counterparty 14	PCG	40.0	8,223,024	0	0	1,591,710	0	2,794	0	436	523
Counterparty 15	PCG	40.0	14,375,308	0	81,185	0	0	4,884	22	28	0
Counterparty 16	PCG	40.0	0	947,460	0	0	0	260	311	0	0
Counterparty 99	PCG	40.0	0	0	0	565,328	0	0	0	155	186
Forecast (with credit support)	PCG	40.0	0	0	0	0	11,925,470	0	0	0	3,267
<b>Sub Total</b>			69,794,296	22,896,316	16,206,195	9,636,015	11,925,470	29,982	11,971	8,258	6,560
<b>Natural Gas Exchange</b>											
Forecast	N/A		3,634,862	4,308,441	1,138,975	(151,621)	0				
<b>Sub Total</b>			3,634,862	4,308,441	1,138,975	(151,621)	391,683				

June 26, 2006

Required LC	L/C	47.5	40,000,000	0	25,000,000	20,000,000	15,000,000	7,813	7,813	7,813	5,938					
PCG to Bank to Support LC	PCG	40.0	40,000,000	0	25,000,000	20,000,000	15,000,000	0	8,493	6,575	5,096					
<b>Sub Total</b>								7,813	16,306	14,388	11,034					
<b>TOTAL</b>								77,561,680	29,697,930	19,211,100	10,808,126	12,758,228	39,397	29,245	23,354	17,999

Footnotes:

\* 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.

\*\*\*The letter of credit to the Natural Gas Exchange was decreased to \$50,000,000 on April 1, to \$40,000,000 on June 1, and it will be further reduced to \$30,000,000 on July 1, 2006. Effective March 13, the letter of credit charges were reduced to 37.5 basis points.

**APPENDIX A  
2005 ENERGY- RELATED DEFERRAL COST RECOVERY  
MONTHLY ALLOCATION BY ESTIMATED CONSUMPTION**

**Total Deferral Cost Approved For Recovery                    \$        3,517,200**

Forecast Consumption 2006 (TJ)	July 2006	August 2006	September 2006	Total Consumption
	2,205.60	2,238.40	3,515.10	7,959.10

Prorated charges based on consumption	July 2006	August 2006	Sept 2006	Total
Rates 1 & 3	\$        974,675	\$        989,170	\$        1,553,355	\$        3,517,200