

**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 \$7.518/GJ for Direct Energy Regulated Services (DERS) Rate 1 & 3 Gas Customers and a GCFR of \$7.084/GJ for Direct Energy Regulated Services (DERS) Rate 5 Gas Customers for August 2005.

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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 July 25, 2005.

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 August 31, 2005, a GCFR of \$7.518/GJ for DERS Rate 1 & 3 Gas Customers and a GCFR of \$7.084/GJ for DERS Rate 5 Gas Customers should be implemented on August 01, 2005.

**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 May-05	Estimate Jun-05	Estimate Jul-05	Forecast Aug-05
1	Opening Cumulative DGA Balance	\$,000	(383)	(1,320)	(6,099)	(5,782)	(516)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	0	27,943	22,450	15,013	17,977
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	1,154	(403)	0	0	0
6	<b>Total Gas Supply Costs</b>	\$,000	1,154	27,540	22,450	15,013	17,977
<b><u>Adjustments</u></b>							
7	Fuel	\$,000	0	0	0	0	0
8	Transportation	\$,000	0	7	4	3	5
9	TCPL (AB) Fuel Recovery	\$,000	(165)	(269)	0	0	0
10	Procurement and Portfolio Management	\$,000	0	29	29	29	29
11	Gas Supply - Related Bad Debts	\$,000	0	84	91	88	86
12	DGA Balance Carrying Costs	\$,000	0	(16)	(17)	(16)	(16)
13	Credit Charge	\$,000	0	30	18	15	14
14	<b>Net Gas Costs</b>	\$,000	990	27,405	22,574	15,131	18,095
<b><u>Recoveries</u></b>							
15	Calendar Sales	\$,000	53	21,411	22,284	20,000	18,414
16	Transportation Imbalance Sales	\$,000	0	0	0	0	0
17	Excess System Sales	\$,000	0	1,022	399	195	0
18	Penalty Revenue	\$,000	0	193	208	201	197
19	<b>Total Recoveries</b>	\$,000	53	22,627	22,892	20,396	18,611
20	Current DGA Balance	\$,000	(937)	(4,779)	318	5,265	517
21	<b>Closing Cumulative DGA Balance</b>	\$,000	(1,320)	(6,099)	(5,782)	(516)	0

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

Line	Description	Units	A Actual May-05	B Estimate Jun-05	C Estimate Jul-05	D Forecast Aug-05
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	4,024	3,307	2,139	2,479
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	(84)	0	0	0
4	<b>Total Energy</b>	TJ	<b>3,940</b>	<b>3,307</b>	<b>2,139</b>	<b>2,479</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	(37)	0	0	0
6	<b>Net Energy</b>	TJ	<b>3,903</b>	<b>3,307</b>	<b>2,139</b>	<b>2,479</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	3,698	3,271	2,230	2,464
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	157	56	30	0
10	<b>Total Recoveries</b>	TJ	<b>3,855</b>	<b>3,326</b>	<b>2,260</b>	<b>2,464</b>
11	<b>DGA UFG</b>	TJ	(49)	19	121	(15)

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for May 2005.

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

Schedule R-1 shows the forecast and actual DGA cost and recovery components for May 2005 as of April 25, 2005 and July 25, 2005 respectively.

**SCHEDULE R-1**  
**FORECAST & ACTUAL DGA COSTS AND RECOVERIES**  
**May 2005**

Line	Description	Units	Forecast April 25, 2005	Actual July 25, 2005	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	\$,000	34,800	27,943	(6,858)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	(403)	(403)
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>34,800</b>	<b>27,540</b>	<b>(7,260)</b>
<b><u>Adjustments</u></b>					
6	Fuel	\$,000	0	0	0
7	Transportation	\$,000	23	7	(16)
8	TCPL (AB) Fuel Recovery	\$,000	0	(269)	(269)
9	Procurement and Portfolio Management	\$,000	29	29	0
10	Gas Supply - Related Bad Debts	\$,000	89	84	(4)
11	DGA Balance Carrying Costs	\$,000	(17)	(16)	1
12	Credit Charge	\$,000	35	30	(5)
13	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>34,959</b>	<b>27,405</b>	<b>(7,554)</b>
<b><u>Recoveries</u></b>					
14	Calendar Sales	\$,000	27,256	21,411	(5,845)
15	Transportation Imbalance Sales	\$,000	0	0	0
16	Excess System Sales	\$,000	0	1,022	1,022
17	Penalty Revenue	\$,000	203	193	(10)
18	<b>Total Recoveries</b>	<b>\$,000</b>	<b>27,459</b>	<b>22,627</b>	<b>(4,832)</b>

**SECTION 2  
RECONCILIATION MONTH SCHEDULES**

Schedule R-2 shows the forecast and actual DGA energy balance for May 2005 as of April 25, 2005 and July 25, 2005. It also shows the normal and actual degree days for May 2005.

**SCHEDULE R-2  
DGA ENERGY BALANCE & DEGREE DAYS  
May 2005**

Line	Description	Units	Forecast April 25, 2005	Actual July 25,	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	4,740	4,024	(715)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	(84)	(84)
<hr/>					
4	<b>Total Energy</b>	TJ	<b>4,740</b>	<b>3,940</b>	<b>(800)</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	(37)	(37)
<hr/>					
6	<b>Net Energy</b>	TJ	<b>4,740</b>	<b>3,903</b>	<b>(837)</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	4,707	3,698	(1,009)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	157	157
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>4,707</b>	<b>3,855</b>	<b>(852)</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(33)</b>	<b>(49)</b>	<b>(16)</b>
12	Degree Days	DD	185	150	(35)

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

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Schedule R-3 shows the actual DGA purchase gas components for May 2005 as of July 25, 2005.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**May 2005**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual July 25, 2005</b>
1	ON-System ATCO South Supplies	\$,000	20,690
2		TJ	2,962
3		\$/GJ	6.985
4	Nova Inventory Transfer Supplies	\$,000	7,250
5		TJ	1,062
6		\$/GJ	6.824
7	Total Purchases	\$,000	27,940
8		TJ	4,024
9		\$/GJ	6.943

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

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Schedule R-4 shows the actual DGA ON-System ATCO South gas components for May 2005 as of July 25, 2005.

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

	<b>May 2005</b>	<b>Actual July 25, 2005</b>	
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	10,259
2		TJ	1,410
3		\$/GJ	7.276
4	Total Long Term	\$,000	10,259
5		TJ	1,410
6		\$/GJ	7.276
7	Short Term (Monthly Index)	\$,000	1,295
8		TJ	181
9		\$/GJ	7.155
10	Short Term (Daily Index)	\$,000	9,137
11		TJ	1,371
12		\$/GJ	6.664
13	Total Short Term	\$,000	10,432
14		TJ	1,552
15		\$/GJ	6.722
16	Total ON-System ATCO South Supplies	\$,000	20,691
17		TJ	2,962
18		\$/GJ	6.985

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**SECTION 5  
RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for May 2005 as of July 25, 2005.

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

		<b>May 2005</b>	<b>Actual July 25, 2005</b>
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	0
2		TJ	0
3		\$/GJ	0.000
4	Total Long Term	\$,000	0
5		TJ	0
6		\$/GJ	0.000
7	Short Term (Monthly Index)	\$,000	1,805
8		TJ	248
9		\$/GJ	7.278
10	Short Term (Daily Index)	\$,000	5,445
11		TJ	814
12		\$/GJ	6.689
13	Total Short Term	\$,000	7,250
14		TJ	1,062
15		\$/GJ	6.827
16	Total Nova Inventory Transfer Supplies	\$,000	7,250
17		TJ	1,062
18		\$/GJ	6.827

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

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Schedule R-6 shows the forecast and actual unit gas prices for May 2005 as of April 25, 2005 and July 25, 2005 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**May 2005**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast April 25, 2005</b>	<b>Actual July 25,</b>	<b>Actual less Forecast</b>
1	AECO Monthly Index	\$/GJ	7.4099	7.2777	(0.1322)
2	AECO Daily INDEX	\$/GJ	7.2942	6.6414	(0.6528)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including April 22, 2005 on the AECO/NGX Intra-Alberta May (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 April 30, 2005 on the AECO/NGX Intra-Alberta May (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the May, AECO/NGX Intra-Alberta Settlement prices on April 18, 19, 20, 21 & 22, 2005.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in May, 2005 as reported by NGX and includes all weekend deals.

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

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Schedule R-7 shows the actual contract storage and transportation costs for May 2005 as of July 25, 2005.

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**  
**May 2005**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual July 25, 2005</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	6
3	Transportation -- AP FSR	\$,000	1
4	Transportation -- Other	\$,000	1
	Total		7

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

**May 2005**

**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
2	40,000	6.9029	276,115.00	6.8927	(30,000)	6.8483	0	0.0000	(205,450.00)	6.8012
4	5,000	6.9150	34,575.00	6.9058	0	0.0000	0	0.0000	0.00	6.8311
5	35,000	6.9436	243,025.00	6.9178	0	0.0000	0	0.0000	0.00	6.8903
6	(5,000)	6.6600	(33,300.00)	6.6250	0	0.0000	0	0.0000	0.00	6.9152
7	(40,000)	6.4671	(258,683.00)	6.5456	23,400	6.6621	0	0.0000	155,894.00	6.6265
9	40,000	6.8492	273,968.00	6.8433	0	0.0000	0	0.0000	0.00	6.7610
10	42,000	6.8819	289,040.00	6.8457	0	0.0000	0	0.0000	0.00	6.8842
11	50,000	6.8110	340,550.00	6.8166	0	0.0000	0	0.0000	0.00	6.8580
13	80,000	6.5988	527,900.00	6.5904	0	0.0000	0	0.0000	0.00	6.6258
14	22,000	6.6091	145,400.00	6.5802	0	0.0000	0	0.0000	0.00	6.5834
16	5,000	6.2500	31,250.00	6.2098	0	0.0000	0	0.0000	0.00	6.5930
17	10,000	6.6400	66,400.00	6.6387	0	0.0000	0	0.0000	0.00	6.4773
18	15,000	6.4800	97,200.00	6.4953	0	0.0000	0	0.0000	0.00	6.6343
19	(7,000)	6.2871	(44,010.00)	6.2683	0	0.0000	0	0.0000	0.00	6.4657
21	(40,000)	6.2800	(251,200.00)	6.3044	0	0.0000	0	0.0000	0.00	6.2224
22	(30,000)	6.5817	(197,450.00)	6.5474	0	0.0000	0	0.0000	0.00	6.3666
23	15,000	6.6200	99,300.00	6.6213	0	0.0000	0	0.0000	0.00	6.5584
24	85,000	6.5524	556,950.00	6.5576	0	0.0000	0	0.0000	0.00	6.6067
25	50,000	6.4505	322,525.00	6.4569	0	0.0000	0	0.0000	0.00	6.5355
26	40,000	6.3306	253,225.00	6.3444	0	0.0000	0	0.0000	0.00	6.4309
28	(5,000)	6.3500	(31,750.00)	6.3651	0	0.0000	0	0.0000	0.00	6.5372
29	15,000	6.3400	95,100.00	6.3605	0	0.0000	0	0.0000	0.00	6.3580
30	30,000	6.4592	193,775.00	6.4518	0	0.0000	0	0.0000	0.00	6.3815
31	30,000	6.3917	191,750.00	6.3880	0	0.0000	0	0.0000	0.00	6.4149
	482,000		3,221,655.00	<b>TOTALS</b>	(6,600)		0		(49,556.00)	

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**Schedule R 10 C S - Actual Spot Gas Purchases by Trade Day**  
**May 2005**  
**Direct Energy Regulated Services**  
ON- System ATCO South 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	100,094	6.8867	689,319.23	6.7663
2	0	0.0000	0.00	0.0000	0	0.0000	84,094	6.7956	571,469.17	6.8012
3	0	0.0000	0.00	0.0000	0	0.0000	70,940	6.8767	487,831.09	6.8835
4	0	0.0000	0.00	0.0000	0	0.0000	54,440	6.8235	371,470.68	6.8311
5	0	0.0000	0.00	0.0000	0	0.0000	49,760	6.8950	343,094.38	6.8903
6	0	0.0000	0.00	0.0000	0	0.0000	100,000	6.9073	690,730.00	6.9152
7	0	0.0000	0.00	0.0000	0	0.0000	52,000	6.9061	359,117.20	6.6265
9	0	0.0000	0.00	0.0000	0	0.0000	61,440	6.7517	414,821.44	6.7610
10	28,000	6.8742	192,477.60	0.0000	0	0.0000	95,650	6.8742	657,517.23	6.8842
11	0	0.0000	0.00	0.0000	0	0.0000	68,156	6.8480	466,732.29	6.8580
12	0	0.0000	0.00	0.0000	0	0.0000	22,656	6.7578	153,104.72	6.7678
13	0	0.0000	0.00	0.0000	0	0.0000	29,156	6.6139	192,835.06	6.6258
14	0	0.0000	0.00	0.0000	0	0.0000	4,000	6.6119	26,447.60	6.5834
17	0	0.0000	0.00	0.0000	0	0.0000	49,656	6.4633	320,940.25	6.4773
18	0	0.0000	0.00	0.0000	0	0.0000	28,277	6.6155	187,067.56	6.6343
19	0	0.0000	0.00	0.0000	0	0.0000	30,977	6.4460	199,678.45	6.4657
20	12,000	6.2752	75,302.40	0.0000	0	0.0000	185,108	6.2656	1,159,818.64	6.2312
24	0	0.0000	0.00	0.0000	0	0.0000	59,777	6.5817	393,434.28	6.6067
25	0	0.0000	0.00	0.0000	0	0.0000	50,157	6.4955	325,794.79	6.5355
26	0	0.0000	0.00	0.0000	0	0.0000	73,524	6.3670	468,128.24	6.4309
27	0	0.0000	0.00	0.0000	0	0.0000	61,500	6.3382	389,797.25	6.3862
	40,000		267,780.00	<b>TOTALS</b>	0		1,331,362		8,869,149.55	

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

**May 2005**

**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	102,000	6.9200	705,840	6.7663
2	80,000	6.8112	544,896	6.8012
3	0	0.0000	0	6.8835
<b>TOTALS</b>	182,000		1,250,736	

Schedule R 10 I S - Long Term & Short Term(Monthly Index) Purchases  
May 2005

**Direct Energy Regulated Services**

ON-System Atco South Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
180893	05/01/2005	05/31/2005	1,395,000	7.278	10,152,392
180894	05/01/2005	05/31/2005	4,194	7.128	29,894
180894	05/01/2005	05/31/2005	909	7.128	6,479
180946	05/01/2005	05/31/2005	681	7.153	4,871
180947	05/01/2005	05/31/2005	1,032	4.729	4,880
183174	05/01/2005	05/31/2005	8,271	7.155	59,178
185436	05/01/2005	05/31/2005	138	8.300	1,145
<b>Total Long Term Indexed</b>			<b>1,410,225</b>	<b>7.276</b>	<b>10,258,839</b>
201711	05/01/2005	05/31/2005	155,000	7.238	1,121,844
201715	05/01/2005	05/31/2005	25,500	6.772	172,688
<b>Total Short Term(Monthly Index)</b>			<b>180,500</b>	<b>7.155</b>	<b>1,294,531</b>

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Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases  
May 2005

**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>
201702	05/01/2005	05/31/2005	155,000	7.280	1,128,431
201705	05/01/2005	05/31/2005	93,000	7.280	677,059
<b>Total Short Term(Monthly Index)</b>			<b>248,000</b>	<b>7.278</b>	<b>1,805,490</b>

July 25, 2005

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

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This section provides details of the Deferred Gas Account (DGA) components for August 2005.

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 August 2005.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for August 2005.

Schedule F-1 shows the forecast of gas purchases for August 2005 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**  
**August 2005**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast July 25, 2005</b>
1	AECO Monthly Index	TJ	1,842
2	AECO Daily Index	TJ	621
3	Other	TJ	16
	Total	TJ	2,479

Schedule F-2 shows the forecast of the unit gas prices for August 2005.

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**August 2005**

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast July 25, 2005</b>
1	AECO Monthly Index	\$/GJ	7.2923
2	AECO Daily Index (1)	\$/GJ	7.1328

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including July 22, 2005 on the AECO/NGX Intra-Alberta August (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the August, AECO/NGX Intra-Alberta Settlement prices on July 18, 19, 20, 21 & 22, 2005.

In order to zero the forecast balance of the DGA on August 31, 2005, a GCFR of \$7.518/GJ for DERS Rate 1 & 3 Gas Customers and a GCFR of \$7.084/GJ for DERS Rate 5 Gas Customers should be implemented on August 01, 2005. Schedule F-3 shows how this rate is calculated.

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

August 2005				
Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	(516)
2	EUB Decision 2005-036 AGS-DGA PPA	\$,000	Appendix A, Line 5	1,243
3	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 14, Column E	18,095
4	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 16, Column E	0
5	Excess System Sales Estimate	\$,000	Schedule M-1, Line 17, Column E	0
6	Penalty Revenue Estimate	\$,000	Schedule M-1, Line 18, Column E	197
7	Net Monthly Gas Cost Recovery	\$,000	Line 3 less Lines 1 - 2 less Lines 4 - 6	17,170
8	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	2,464
9	GCFR excluding AGS - DGA PPA	\$/GJ	Line 7 divided by Line 8	6.968
<b>DERS GCFR for Rates 1 &amp; 3</b>				
10	DERS Rates 1 & 3 Sales Forecast	TJ	Appendix A, Line 1	2,204
11	AGS - DGA PPA Rates 1 & 3	\$,000	Appendix A, Line 3	1,213
12	Impact to rate of AGS - DGA PPA	\$/GJ	Line 11 divided by Line 10	0.550
13	GCFR excluding AGS - DGA PPA	\$/GJ	Line 9	6.968
14	GCFR for Rates 1 & 3	\$/GJ	Line 13 plus line 12	7.518
<b>DERS GCFR for Rate 5</b>				
15	DERS Rate 5 Sales Forecast	TJ	Appendix A, Line 2	260
16	AGS - DGA PPA Rate 5	\$,000	Appendix A, Line 4	30
17	Impact to rate of AGS - DGA PPA	\$/GJ	Line 16 divided by Line 15	0.116
18	GCFR excluding AGS - DGA PPA	\$/GJ	Line 9	6.968
19	GCFR for Rate 5	\$/GJ	Line 17 plus line 18	7.084

**SPECIAL NOTES**

AGS - DGA PPA is the Imbalance and Production Adjustments Deferred Gas Account approved in the EUB Decision 2005-036 for Atco Gas South and allocated to the period June 2005 - October 2005 per attached Appendix A

**SCHEDULE C - 1  
COST OF CREDIT SUPPORT**

<b>LEGEND:</b>	bp	Basis points (100 bp = 1%)
	LC	Letter of credit
	PCG	Parental company guarantee

**July 25, 2005**

Supply Sources	Security Type	Credit Charge (bp)	April Payable	May Payable	June Payable	July Payable	August Payable	Actual May-05	Estimate Jun-05	Estimate Jul-05	Forecast Aug-05
<b>(SOUTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
Acclaim Energy Partnership	N/A		39,393	36,373	25,241	19,796	0				
ATCO	PCG	40.0	56,824	60,324	14,425	80,101	0	36	24	27	27
Enerplus Resources Corporation	N/A		6,297	4,871	5,304	6,409	0				
Linray Energy Inc.	N/A		4,734	4,880	4,942	5,329	0				
Shell Canada Limited	PCG	40.0	9,571,905	10,152,392	8,921,745	9,787,878	0	6,011	5,862	5,693	3,263
Forecast (with credit support)	PCG	40.0	0	0	0	0	10,172,759	0	0	0	2,826
Forecast (without credit support)			0	0	0	0	113,031				
<b>Sub Total</b>			9,679,153	10,258,840	8,971,657	9,899,513	10,285,790	6,047	5,886	5,720	6,116
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	636,327	0	0	0	0	212	0	0	0
Counterparty 2	PCG	40.0	2,532,297	2,407,805	2,277,737	0	0	1,513	1,435	759	0
Counterparty 3	PCG	40.0	1,160,261	685,481	1,195,746	0	0	577	561	399	0
Counterparty 4	PCG	40.0	4,403,969	1,330,729	577,653	36,114	0	1,838	604	203	12
Counterparty 5	PCG	40.0	5,234,411	753,635	0	109,158	0	1,954	251	30	36
Counterparty 6	N/A		35,788	119,090	0	0	0				
Counterparty 7	PCG	40.0	2,544,552	1,614,202	2,361,977	34,982	0	1,297	1,194	797	12
Counterparty 8	N/A		1,569,465	1,680,273	1,782,270	1,798,799	0				
Counterparty 9	PCG	40.0	0	0	106,736	0	0	0	25	36	0
Counterparty 10	PCG	40.0	0	0	322,334	108,774	0	0	90	138	36
Counterparty 11	N/A		0	172,688	4,100	14,544	0				
Counterparty 12	PCG	40.0	110,801	374,592	80,709	21,638	0	141	147	33	7
Counterparty 13	PCG	40.0	7,502,192	3,060,805	909,360	72,275	0	3,351	1,273	323	24
Counterparty 14	PCG	40.0	159,009	294,029	34,102	0	0	135	107	11	0
Counterparty 15	PCG	40.0	0	0	140,502	0	0	0	39	47	0
Counterparty 16	PCG	40.0	2,141,151	131,428	399,597	7,223	0	750	155	135	2
Counterparty 17	PCG	40.0	2,274,226	1,128,431	0	0	0	1,072	376	0	0
Counterparty 99	PCG	40.0	0	0	0	1,463,760	0	0	0	407	488
Forecast (with credit support)	PCG	40.0	0	0	0	0	6,362,427	0	0	0	1,767
<b>Sub Total</b>			30,304,449	13,753,188	10,192,823	3,667,267	6,362,427	12,840	6,257	3,318	2,384
<b>Natural Gas Exchange</b>	N/A		1,894,009	2,906,599	2,884,256	1,251,045	0				
Forecast			0	0	0	0	1,328,824				
<b>Sub Total</b>			1,894,009	2,906,599	2,884,256	1,251,045	1,328,824				
Required LC	L/C	47.5	15,000,000	15,000,000	7,500,000	7,500,000	7,500,000	5,938	2,969	2,969	2,969
PCG to Bank to Support LC	PCG	40.0	15,000,000	15,000,000	7,500,000	7,500,000	7,500,000	5,000	2,500	2,500	2,500
<b>Sub Total</b>								10,938	5,469	5,469	5,469
<b>TOTAL</b>			41,877,611	26,918,627	22,048,736	14,817,825	17,977,041	29,825	17,612	14,507	13,969

Footnote:

\* The Natural Gas Exchange numbers include only the costs associated to 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 reduced to \$30,000,000 on April 1, 2005 and further reduced to \$15,000,000 effective June 1, 2005.

