AUC
Alberta Utilities Commission

10055 – 106 Street, 10th Floor
Edmonton, Alberta, Canada T5J 2Y2
Phone 780-427-4901 Fax 780-427-6970
www.auc.ab.ca

Electronic Notification

July 30, 2008

Direct Energy Marketing Limited
111 - 5 Avenue SW Suite 1000
Calgary AB T2P 3Y6

Attention: Ms. Corinne Grudecki
Manager, Government and Regulatory Affairs, Canada West

DIRECT ENERGY REGULATED SERVICES (DERS) – NORTH
GAS COST FLOW-THROUGH RATE (GCFR) – MONTH OF AUGUST 2008
APPLICATION NO. 1580793

The Alberta Utilities Commission (AUC) has received the monthly GCFR filing, dated July 25, 2008, from DERS, a Business Unit of Direct Energy Marketing Limited. DERS requested a GCFR of $11.180 per gigajoule (GJ) for customers served in the ATCO Gas North service territory.

In Decision 2007-103, dated December 20, 2007, the Alberta Energy and Utilities Board (EUB), predecessor to the AUC, approved for DERS a combined reasonable return margin for the years 2007 and 2008 of $0.0496/GJ, collection of which began in January 2008. Unlike the GCFR, the reasonable return margin is not subject to deferral account treatment through DERS's deferred gas account but is to be recovered with the GCFR through DERS's Rate Rider "F". For the month of August 2008, DERS included the following amounts in setting Rider "F" for customers served in the ATCO Gas North service territory:

	$/GJ
GCFR	11.180
Reasonable return margin (rounded)	0.050
Rider "F"	11.230

AUC staff members have reviewed the filing and the AUC accepts that the GCFR represents a rate determined in accordance with the directions previously issued by the EUB to gas utilities in Decision 2001-75, dated October 30, 2001, and more specifically to ATCO Gas North in Decision 2002-035, dated March 21, 2002, and to DERS in Decision 2003-106, dated December 18, 2003. Consequently, the AUC acknowledges that for the period August 1, 2008 to August 31, 2008, the GCFR of $11.180/GJ is appropriate to be applied to all energy sold to customers served under Rates G1 and G3 in DERS's ATCO Gas North service territory.

...../2

As directed in Decision 2001-75, a 30-day review period is provided for parties to raise any concerns with the Gas Cost Recovery Rate (GCRR), price and volume forecasts, and prior period reconciliations. As DERS is the Default Supply Provider for ATCO Gas, the 30-day review period would be similarly applicable to the GCFRs requested by DERS.

Carolyn Dahl Rees
Vice-Chair