

**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 Rider F of \$13.042/GJ for Direct Energy Regulated Services (DERS) gas customers for June 2008.

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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 May 26, 2008.

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 June 30, 2008, a Rider F of \$13.042/GJ should be implemented for DERS Gas Customers on June 01, 2008.

**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 Mar-08	Estimate Apr-08	Estimate May-08	Forecast Jun-08
1	Opening Cumulative DGA Balance	\$,000	(7,482)	(8,339)	4,948	(2,762)	(6,995)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	109	67,164	68,658	27,735	20,058
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Storage	\$,000	0	0	0	0	0
5	Imbalances	\$,000	(52)	2,044	(1)	12	0
6	<b>Total Gas Supply Costs</b>	\$,000	57	69,208	68,658	27,747	20,058
<b><u>Adjustments</u></b>							
7	Transportation	\$,000	0	64	61	70	9
8	TCPL (AB) Fuel Recovery	\$,000	0	0	0	0	0
9	Procurement	\$,000	0	26	26	26	26
10	Bad Debts	\$,000	0	238	223	213	211
11	Working Capital	\$,000	0	48	45	43	43
12	Credit Charge	\$,000	0	52	45	38	19
13	<b>Net Gas Costs</b>	\$,000	57	69,636	69,057	28,136	20,365
<b><u>Recoveries</u></b>							
14	Net Calendar Sales*	\$,000	(799)	80,184	59,771	23,086	27,249
15	Transportation Imbalance Sales	\$,000	0	0	0	0	0
16	Excess System Sales	\$,000	0	2,614	1,459	705	0
17	Penalty Revenue	\$,000	0	125	117	112	111
18	<b>Total Recoveries</b>	\$,000	(799)	82,923	61,348	23,903	27,360
19	Current DGA Balance	\$,000	(856)	13,286	(7,710)	(4,233)	6,995
20	<b>Closing Cumulative DGA Balance</b>	\$,000	(8,339)	4,948	(2,762)	(6,995)	0

\* Net Calendar Sales excludes 2008 return margin amounts.

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

Line	Description	Units	A Actual Mar-08	B Estimate Apr-08	C Estimate May-08	D Forecast Jun-08
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	8,695	7,819	2,992	2,098
2	Storage	TJ	0	0	0	0
3	Imbalances	TJ	286	0	0	0
4	<b>Total Energy</b>	TJ	<b>8,981</b>	<b>7,819</b>	<b>2,992</b>	<b>2,098</b>
<b><u>Adjustments</u></b>						
5	TCPL (AB) Fuel Recovery	TJ	0	0	0	0
6	<b>Net Energy</b>	TJ	<b>8,981</b>	<b>7,819</b>	<b>2,992</b>	<b>2,098</b>
<b><u>Recoveries</u></b>						
7	Calendar Sales	TJ	8,915	7,045	3,049	2,097
8	Transportation Imbalance Sales	TJ	0	0	0	0
9	Excess System Sales	TJ	323	159	75	0
10	<b>Total Recoveries</b>	TJ	<b>9,237</b>	<b>7,204</b>	<b>3,124</b>	<b>2,097</b>
11	<b>Load Balancing / UFG Estimate</b>	TJ	256	(615)	131	0

**SPECIAL NOTES**

**INTRODUCTION**

This section provides details of the Deferred Gas Account (DGA) components for March 2008.

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

Schedule R-1 shows the forecast and actual DGA cost and recovery components for March 2008 as of February 25, 2008 and May 26, 2008 respectively.

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

**March 2008**

Line	Description	Units	Forecast Feb 25, 2008	Actual May 26, 2008	Actual less Forecast
	<b><u>Gas Supply Costs</u></b>				
1	Purchases	\$,000	70,836	67,164	(3,672)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Storage	\$,000	0	0	0
4	Imbalances	\$,000	0	2,044	2,044
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>70,836</b>	<b>69,208</b>	<b>(1,628)</b>
	<b><u>Adjustments</u></b>				
6	Transportation	\$,000	120	64	(56)
7	TCPL (AB) Fuel Recovery	\$,000	0	0	0
8	Procurement	\$,000	26	26	0
9	Gas Supply - Related Bad Debts	\$,000	233	238	5
10	Working Capital	\$,000	47	48	1
11	Credit Charge	\$,000	53	52	(1)
12	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>71,315</b>	<b>69,636</b>	<b>(1,679)</b>
	<b><u>Recoveries</u></b>				
13	Net Calendar Sales*	\$,000	84,940	80,184	(4,756)
14	Transportation Imbalance Sales	\$,000	0	0	0
15	Excess System Sales	\$,000	0	2,614	2,614
16	Penalty Revenue	\$,000	122	125	2
17	<b>Total Recoveries</b>	<b>\$,000</b>	<b>85,062</b>	<b>82,923</b>	<b>(2,140)</b>

\* Net Calendar Sales excludes 2008 return margin amounts.

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

Schedule R-2 shows the forecast and actual DGA energy balance for March 2008 as of February 25, 2008 and May 26, 2008. It also shows the normal and actual degree days for March 2008.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**March 2008**

Line	Description	Units	Forecast Feb 25, 2008	Actual May 26, 2008	Actual less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	9,480	8,695	(785)
2	Storage	TJ	0	0	0
3	Imbalances	TJ	0	286	286
<hr/>					
4	<b>Total Energy</b>	TJ	<b>9,480</b>	<b>8,981</b>	<b>(499)</b>
<b><u>Adjustments</u></b>					
5	TCPL (AB) Fuel Recovery	TJ	0	0	0
<hr/>					
6	<b>Net Energy</b>	TJ	<b>9,480</b>	<b>8,981</b>	<b>(499)</b>
<b><u>Recoveries</u></b>					
7	Calendar Sales	TJ	9,444	8,915	(529)
8	Transportation Imbalance Sales	TJ	0	0	0
9	Excess System Sales	TJ	0	323	323
<hr/>					
10	<b>Total Recoveries</b>	TJ	<b>9,444</b>	<b>9,237</b>	<b>(207)</b>
<hr/>					
11	<b>DGA UFG</b>	TJ	<b>(36)</b>	<b>256</b>	<b>292</b>
12	Degree Days	DD	527	492	(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 March 2008 as of May 26, 2008.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**March 2008**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual May 26, 2008</b>
1	ON-System ATCO Supplies	\$,000	18,960
2		TJ	2,509
3		\$/GJ	7.557
4	Nova Inventory Transfer Supplies	\$,000	48,114
5		TJ	6,169
6		\$/GJ	7.800
7	Total Purchases	\$,000	67,073
8		TJ	8,678
9		\$/GJ	7.729

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

Schedule R-4 shows the actual DGA ON-System ATCO North gas components for March 2008 as of May 26, 2008.

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

		<b>March 2008</b>	<b>Actual May 26, 2008</b>
<b>Line</b>	<b>Description</b>	<b>Units</b>	
1	Long Term Indexed	\$,000	5,129
2		TJ	626
3		\$/GJ	8.200
4	Total Long Term	\$,000	5,129
5		TJ	626
6		\$/GJ	8.200
7	Short Term (Monthly Index)	\$,000	13,633
8		TJ	1,860
9		\$/GJ	7.330
10	Short Term (Daily Index)	\$,000	197
11		TJ	24
12		\$/GJ	8.379
13	Total Short Term	\$,000	13,830
14		TJ	1,884
15		\$/GJ	7.343
16	Total ON-System ATCO Supplies	\$,000	18,960
17		TJ	2,509
18		\$/GJ	7.557

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**SECTION 5**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for March 2008 as of May 26, 2008.

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

		<b>March 2008</b>	<b>Actual May 26, 2008</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	20,389
8		TJ	2,790
9		\$/GJ	7.308
10	Short Term (Daily Index)	\$,000	27,725
11		TJ	3,379
12		\$/GJ	8.206
13	Total Short Term	\$,000	48,114
14		TJ	6,169
15		\$/GJ	7.800
16	Total Nova Inventory Transfer Supplies	\$,000	48,114
17		TJ	6,169
18		\$/GJ	7.800

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Schedule R-6 shows the forecast and actual unit gas prices for March 2008 as of February 25, 2008 and May 26, 2008 respectively.

**SCHEDULE R-6**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**March 2008**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast February 25, 2008</b>	<b>Actual May 26, 2008</b>	<b>Actual less Forecast</b>
1	AECO Monthly Index	\$/GJ	7.1568	7.2992	0.1424
2	AECO Daily INDEX	\$/GJ	7.7330	8.1794	0.4464

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including February 22, 2008 on the AECO/NGX Intra-Alberta March (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 February 29, 2008 on the AECO/NGX Intra-Alberta March (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the March, AECO/NGX Intra-Alberta Settlement prices on February 15, 19, 20, 21 & 22, 2008.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in March, 2008 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 March 2008 as of May 26, 2008.

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**  
**March 2008**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Actual May 26, 2008</b>
1	Contract Storage	\$,000	0
2	Transportation -- AP OPR	\$,000	64
3	Transportation -- AP FSR	\$,000	0
	Total		64

**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**

**March 2008**

**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	20,000	7.8142	156,284.00	7.8549	270,000	7.7122	40,000	7.8167	2,394,968.00	7.8142
2	42,000	7.9647	334,518.00	7.9781	17,000	7.8706	30,000	7.8053	367,958.00	7.8036
3	(55,000)	7.9563	(437,595.00)	7.9393	96,000	7.9619	40,000	7.9660	1,082,985.00	7.9610
4	0	0.0000	0.00	8.0180	40,000	7.9301	0	0.0000	317,205.00	7.9114
5	(5,000)	8.0212	(40,106.00)	8.1648	0	0.0000	65,000	8.0266	521,728.00	8.0212
6	0	0.0000	0.00	8.2612	15,000	8.1650	60,000	8.1784	613,179.00	8.1759
7	(15,500)	8.2825	(128,378.75)	8.1487	25,000	8.3020	165,000	8.2789	1,573,572.50	8.2825
8	(37,000)	8.2373	(304,780.00)	8.2025	0	0.0000	0	0.0000	0.00	8.1716
9	(32,100)	8.0746	(259,195.00)	8.0911	0	0.0000	0	0.0000	0.00	8.2607
10	(21,000)	8.1572	(171,301.20)	8.3487	0	0.0000	0	0.0000	0.00	8.1572
12	0	0.0000	0.00	8.3573	5,000	8.2900	30,000	8.3377	291,581.00	8.3377
13	(22,000)	8.3951	(184,692.20)	8.5305	0	0.0000	110,000	8.3951	923,461.00	8.3951
14	0	0.0000	0.00	8.4983	0	0.0000	90,000	8.5100	765,900.00	8.5230
15	20,000	8.7515	175,030.00	8.7236	56,000	8.4423	0	0.0000	472,770.00	8.4754
16	37,000	8.3269	308,096.50	8.3214	60,000	8.6075	0	0.0000	516,450.00	8.6272
17	(25,000)	8.2137	(205,342.50)	7.8305	65,000	8.2323	88,800	8.2116	1,264,292.56	8.2137
18	(17,000)	7.7076	(131,030.00)	7.7193	0	0.0000	70,000	7.8284	547,987.50	7.8300
19	(15,500)	7.7370	(119,923.75)	7.6897	0	0.0000	55,000	7.7577	426,671.50	7.7563
20	(30,000)	7.7232	(231,696.00)	8.0720	0	0.0000	220,000	7.6991	1,693,802.00	7.7232
23	(15,000)	8.0511	(120,766.50)	7.9843	0	0.0000	0	0.0000	0.00	8.0511
24	(5,000)	8.0301	(40,150.50)	8.1461	0	0.0000	60,000	8.0322	481,931.00	8.0301
25	0	0.0000	0.00	8.2445	7,500	8.1283	91,900	8.1464	809,621.18	8.1472
26	0	0.0000	0.00	8.3182	0	0.0000	80,000	8.2600	660,796.00	8.2582
27	0	0.0000	0.00	8.5203	5,000	8.3100	110,000	8.3240	957,194.00	8.3204
28	0	0.0000	0.00	8.5595	0	0.0000	150,000	8.5008	1,275,120.00	8.5093
29	0	0.0000	0.00	8.6830	19,500	8.6076	0	0.0000	167,847.50	8.6093
30	(27,500)	8.6836	(238,799.00)	8.9026	0	0.0000	0	0.0000	0.00	8.6836

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0	0.0000	0.00
(203,600)		(1,639,827.90)

8.7551

**TOTALS**

14,900	8.8988	108,000	8.9308	1,097,118.40
695,900		1,663,700		19,224,139.14

8.9258

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

**March 2008**

**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
3	0	0.0000	0.00	0.0000	0	0.0000	2,000	8.0360	16,072.00	7.9610
7	0	0.0000	0.00	0.0000	0	0.0000	6,000	8.3435	50,061.00	8.2825
13	1,000	8.6100	8,610.00	0.0000	0	0.0000	0	0.0000	0.00	8.3951
18	0	0.0000	0.00	0.0000	0	0.0000	2,500	7.9000	19,750.00	7.8300
19	0	0.0000	0.00	0.0000	0	0.0000	2,500	7.8263	19,565.75	7.7563
24	0	0.0000	0.00	0.0000	0	0.0000	3,000	8.1001	24,300.30	8.0301
31	0	0.0000	0.00	0.0000	0	0.0000	6,500	9.0058	58,537.70	8.9258
	1,000		8,610.00	<b>TOTALS</b>	0		22,500		188,286.75	

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

**March 2008**

**PEAKING Demand Supply Contracts**

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)		AECO Daily
	GJ's	Avg. Cost \$/GJ	Total Cost \$	Index \$/GJ
3	100,000	7.9860	798,600	7.9610
4	100,000	7.9364	793,640	7.9114
5	120,000	8.0462	965,544	8.0212
14	90,000	8.5480	769,320	8.5230
15	90,000	8.5004	765,036	8.4754
16	100,000	8.6522	865,220	8.6272
28	100,000	8.5280	852,800	8.5093
29	100,000	8.5680	856,800	8.6093
30	100,000	8.5977	859,772	8.6836
<b>TOTALS</b>	900,000		7,526,732	

Schedule R 10 I N - Long Term & Short Term Purchases  
March 2008

**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>
183216	03/01/2008	03/31/2008	1,927	8.108	15,623
183219	03/01/2008	03/31/2008	560,523	8.210	4,601,893
185435	03/01/2008	03/31/2008	2,232	10.117	22,580
183217	03/01/2008	03/31/2008	32,657	8.200	267,800
183218	03/01/2008	03/31/2008	12,606	8.136	102,560
185506	03/01/2008	03/31/2008	15,562	7.629	118,729
<b>Total Long Term Indexed</b>			<b>625,507</b>	<b>8.200</b>	<b>5,129,186</b>
433325	03/01/2008	03/31/2008	155,000	7.359	1,140,676
369696	03/01/2008	03/31/2008	155,000	7.319	1,134,476
362978	03/01/2008	03/31/2008	310,000	7.364	2,282,986
362974	03/01/2008	03/31/2008	930,000	7.305	6,793,966
380651	03/01/2008	03/31/2008	310,000	7.359	2,281,352
<b>Total Short Term(Monthly Index)</b>			<b>1,860,000</b>	<b>7.330</b>	<b>13,633,456</b>

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**Schedule R 10 J N - Long Term & Short Term(Monthly Index) Purchases**  
**March 2008**

**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>
431125	03/01/2008	03/31/2008	310,000	7.304	2,264,302
383536	03/01/2008	03/31/2008	620,000	7.312	4,533,254
380778	03/01/2008	03/31/2008	310,000	7.312	2,266,627
430869	03/01/2008	03/31/2008	465,000	7.304	3,396,453
431169	03/01/2008	03/31/2008	310,000	7.304	2,264,302
430760	03/01/2008	03/31/2008	155,000	7.304	1,132,151
385086	03/01/2008	03/31/2008	310,000	7.309	2,265,852
383517	03/01/2008	03/31/2008	310,000	7.309	2,265,852
<b>Total Short Term(Monthly Index)</b>			<b>2,790,000</b>	<b>7.308</b>	<b>20,388,793</b>

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

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This section provides details of the Deferred Gas Account (DGA) components for June 2008.

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 June 2008.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for June 2008.

Schedule F-1 shows the forecast of gas purchases for June 2008 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**  
**June 2008**

<b>Line</b>	<b>Description</b>	<b>Units</b>	<b>Forecast May 26, 2008</b>
1	AECO Monthly Index	TJ	1,570
2	AECO Daily Index	TJ	447
3	Other	TJ	81
	Total	TJ	2,098

Schedule F-2 shows the forecast of the unit gas prices for June 2008.

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**June 2008**

<b>Line</b>	<b>Description</b>	<b>UNIT</b>	<b>Forecast May 26, 2008</b>
1	AECO Monthly Index	\$/GJ	9.5466
2	AECO Daily Index (1)	\$/GJ	9.6175

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including May 23, 2008 on the AECO/NGX Intra-Alberta June (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the June, AECO/NGX Intra-Alberta Settlement prices on May 16, 20, 21, 22 & 23, 2008.

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In order to zero the forecast balance of the DGA on June 30, 2008, a Rider F of \$13.042/GJ should be implemented on June 01, 2008. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3**  
**RIDER F RATE DERIVATION**

**June 2008**

<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	(6,995)
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 13, Column E	20,365
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	111
6	Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 5	27,249
7	Forecast Monthly Sales	TJ	Schedule M-2, Line 7, Column D	2,097
8	GCFR	\$/GJ	Line 6 divided by Line 7	12.9920
9	2008 Approved Return Margin	\$/GJ	Decision 2007-103	0.04960
10	Rider F	\$/GJ	Line 8 + Line 9	13.042

**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

**May 26, 2008**

Supply Sources	Security Type	Credit Charge (bp)	February Payable	March Payable	April Payable	May Payable	June Payable	Actual Mar-08	Estimate Apr-08	Estimate May-08	Forecast Jun-08
<b>(NORTH)</b>											
<b>ATCO Gas Supply Contracts</b>											
ATCO	PCG	40.0	30,792	22,580	5,789	6,598	0	16	9	4	2
Keyspan	N/A		123,242	102,560	105,981	105,228	0				
Pan-Alberta Gas Ltd.	N/A		130,830	118,729	191,186	92,634	0				
Paramount Energy Ltd	N/A		375,641	283,423	329,873	249,207	0				
Suncor Energy Marketing Inc.	PCG	40.0	5,203,014	4,601,893	3,456,556	1,606,059	0	2,914	2,343	1,576	546
Forecast (with credit support)	PCG	40.0	0	0	0	0	598,572	0	0	0	164
Forecast (without credit support)			0	0	0	0	174,703				
<b>Sub Total</b>			5,863,519	5,129,185	4,089,385	2,059,726	773,275	2,930	2,352	1,580	712
<b>DEML Supply Contracts</b>											
Counterparty 1	PCG	40.0	3,992,372	0	0	0	0	1,269	0	0	0
Counterparty 2	PCG	40.0	0	1,132,151	0	0	0	310	385	0	0
Counterparty 3	PCG	40.0	5,152,555	2,290,152	2,417,658	259,361	0	2,265	1,440	866	88
Counterparty 4	PCG	40.0	10,646,499	9,210,964	9,865,181	8,545,280	0	5,907	5,832	5,585	2,903
Counterparty 5	PCG	40.0	4,406,329	7,661,164	6,541,064	4,544,880	0	3,499	4,395	3,396	1,544
Counterparty 6	PCG	40.0	6,068,824	1,706,228	4,655,974	1,463,161	0	2,396	1,855	1,932	497
Counterparty 7	PCG	40.0	1,996,911	0	0	0	0	635	0	0	0
Counterparty 8	N/A		(652,973)	(1,581,324)	93,417	2,633,484	0				
Counterparty 9	PCG	40.0	999,906	1,134,476	1,487,211	1,385,421	0	629	793	869	471
Counterparty 10	PCG	40.0	5,662,024	4,713,556	6,174,938	0	0	3,091	3,293	2,030	0
Counterparty 11	PCG	40.0	0	58,538	0	0	0	16	20	0	0
Counterparty 12	PCG	40.0	3,021,667	3,396,453	17,098	447,647	0	1,891	1,159	128	152
Counterparty 13	PCG	40.0	741,470	1,601,476	0	0	0	674	544	0	0
Counterparty 14	PCG	40.0	69,131	0	0	0	0	22	0	0	0
Counterparty 15	PCG	40.0	5,989,283	6,794,456	0	0	0	3,765	2,308	0	0
Counterparty 16	PCG	40.0	6,133,396	5,997,737	4,170,263	527,933	0	3,592	3,180	1,516	179
Counterparty 17	PCG	40.0	3,326,405	3,015,671	7,787,194	855,295	0	1,883	3,158	2,795	291
Counterparty 18	PCG	40.0	1,996,186	119,451	4,373,179	276,102	0	667	1,156	1,513	94
Counterparty 19	PCG	40.0	2,686,816	3,528,631	0	0	0	1,821	1,199	0	0
Counterparty 20	PCG	40.0	7,644,544	2,912,917	6,289,594	885,185	0	3,228	2,713	2,310	301
Counterparty 99	PCG	40.0	0	0	0	931,800	0	0	0	255	317
Forecast (with credit support)	PCG	40.0	0	0	0	0	17,994,265	0	0	0	4,930
<b>Sub Total</b>			69,881,345	53,692,697	53,872,771	22,755,549	17,994,265	37,560	33,430	23,195	11,767
<b>Natural Gas Exchange</b>											
Forecast	N/A		4,285,069	5,637,493	9,115,867	2,213,909	0				
<b>Sub Total</b>			4,285,069	5,637,493	9,115,867	2,213,909	1,289,966				
Required LC	L/C	37.5	27,500,000	17,500,000	15,000,000	20,000,000	10,000,000	5,574	4,623	6,370	3,082
PCG to Bank to Support LC	PCG	40.0	27,500,000	17,500,000	15,000,000	20,000,000	10,000,000	5,945	4,932	6,795	3,288
<b>Sub Total</b>								11,519	9,555	13,165	6,370

May 26, 2008

<b>TOTAL</b>	80,029,933	64,459,375	67,078,023	27,029,184	20,057,506	52,009	45,337	37,940	18,849
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Footnote:

\*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