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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

September 29, 2006

Alliance Data Systems Corporation

(Exact name of registrant as specified in its charter)

Delaware

001-15749

31-1429215

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

17655 Waterview Parkway, Dallas, Texas

75252

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(972) 348-5100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On September 29, 2006, Alliance Data Systems Corporation provided to market analysts an IR Update announcing that it has signed a multi-year agreement with Southern Union Company ("Southern Union") to provide customer information system and billing services to customers of New England Gas Company, a natural gas distribution division of Southern Union. A copy of this IR Update is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 IR Update dated September 29, 2006 announcing an agreement with Southern Union.

Note: The information contained in this report (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

September 29, 2006

By: *Edward J. Heffernan*

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*Name: Edward J. Heffernan*

*Title: Executive Vice President and Chief Financial Officer*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	IR Update dated September 29, 2006 announcing an agreement with Southern Union.

Sept. 29, 2006

**ALLIANCE DATA SIGNS MULTI-YEAR AGREEMENT WITH SOUTHERN UNION COMPANY TO SUPPORT ITS  
NEW ENGLAND  
GAS DISTRIBUTION DIVISION CUSTOMERS**

- Alliance Data announced today that it has signed a multi-year agreement with Southern Union Company (“Southern Union”). Under terms of the agreement, Alliance Data will provide customer information system (CIS) and billing services to customers of New England Gas Company, a natural gas distribution division of Southern Union.
- With 2005 revenues of approximately \$2 billion, Southern Union is one of the nation’s leading diversified natural gas companies and owner of the nation’s second largest natural gas pipeline system, with more than 22,000 miles of gathering and transportation pipelines. Southern Union also has the largest liquefied natural gas import terminal in North America.
- The services Alliance Data will provide include CIS hosting and maintenance, bill print, mail services, and remittance processing for New England Gas Company’s 55,000 customers in Massachusetts.

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