

January 25, 2012

Alberta Utilities Commission  
10<sup>th</sup> Floor, 10055 – 106 St.  
Edmonton, Alberta T5J 2Y2

**Attention: Mr. Michael Hagan, P. Eng.,  
Executive Director, Rates,  
Utilities Division**

Dear Mr. Hagan:

**Re: Direct Energy Regulated Services Regulated Rate Tariff Transition Rate for February 2012**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) Regulated Rate Tariff (RRT) transition rates for February 2012 for the service territory of ATCO Electric Ltd (ATCO).

The derivations of these rates are detailed on the attached supporting schedules. DERS has also attached a letter from the advisor stating that he has reviewed the rates and confirms that they are calculated in accordance with DERS' Energy Price Setting Plan (EPSP). DERS has also attached signed copies of the Certification of Compliance from the independent advisor, the consultation party representatives and DERS for the February 2012 time period.

The February 2012 rates have been developed in accordance with DERS' 2011-2014 terms of settlement (including schedules and appendices) as filed and approved by the Commission on page 15 of Decision 2011-199. Additionally, DERS has applied a 25% forecast income tax rate for 2012 to the approved after-tax return margin of \$1.75/MWh, resulting in a pre-tax return margin of \$2.33/MWh which is also consistent with the terms of settlement and Decision 2011-199.

Attached for the Commission's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for February 2012. The RRT Interim Rate Schedules were approved in Decision's 2010-317 and 2011-456 with respect to DERS' 2012 Final Default Rate Tariffs, Regulated Rate Tariffs Non-Energy Application and DERS' 2012 Interim Default Rate Tariffs and Regulated Rate Tariffs. DERS has also attached the Rider "P (REA)" Energy Charge Schedule applicable to REA farm and irrigation service.

Should you require additional information please contact the undersigned at 403-776-2154.

Yours truly,

<ORIGINAL SIGNED BY S. PUDDICOMBE>

Sarah Puddicombe  
Regulated Analyst  
Direct Energy Marketing Limited  
*Direct Energy Regulated Services is a business unit of Direct Energy Marketing Limited*