

**Electronic Notification**

November 29, 2006

Corinne Grudecki  
Manager, Government & Regulatory Affairs, Western Region  
Direct Energy Regulated Services  
111 – 5<sup>th</sup> Ave SW Suite 1000  
Calgary AB T2P 3Y6

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS)  
REGULATED RATE OPTION (RRO) ENERGY CHARGE RATES FOR  
DECEMBER 2006  
APPLICATION NO. 1488395**

The Alberta Energy and Utilities Board (the Board) is in receipt of a letter from DERS dated November 23, 2006 in which it has requested acknowledgement of energy charges applicable to its RRO service for the month ending December 31, 2006. Also, on November 23, 2006, DERS submitted a letter from Sheldon Fulton, Independent Advisor to the Energy Procurement Process, stating that he has reviewed the energy charges filed by DERS and concurred that they were calculated in accordance with the Energy Price Setting Plan for 2006 to 2011. DERS has included the final approved pretax Return Margin of \$2.59/MWh in the December RRT Energy charge calculation. The RRT Margin was approved in Decision 2006.

DERS' proposed energy charges are as follows:

<b>Rate Class</b>	<b>cents/kWh</b>
Residential	9.330
Commercial	9.240
Industrial	8.851
Farming (Includes REA)	9.176
Irrigation (Includes REA)	9.176
Oil & Gas	8.919
Lighting	7.752

The Board has reviewed the filing, and accepts that the above noted energy charges represent rates determined in accordance with the directions previously issued to DERS in Order U2006-108, dated April 28, 2006. Consequently, the Board acknowledges that the energy charges as set out above are applicable to DERS' RRO service for the month ending December 31, 2006.

As directed in the *Regulated Rate Option Regulation*, AR 262/2005, sections 7(4) and 7(5), DERS must retain records sufficient to enable the Board to audit any previous monthly rates set by DERS and any amount overcharged to customers due to an incorrect rate calculation must be refunded to customers as soon as practicable after the error is discovered.

If any affected party objects to the calculation of the energy charge for the month in question, they should notify the Board and DERS in a timely basis, of the nature of their objection including the reason why it should be considered.

Yours truly,

A handwritten signature in cursive script that reads "Laurie Bayda".

Laurie J. Bayda  
Customer Service Manager  
Utilities Branch