

Electronic Notification

January 29, 2007

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

Dear Ms. Grudecki:

**DIRECT ENERGY REGULATED SERVICES (DERS)
REGULATED RATE OPTION (RRO) ENERGY CHARGE RATES FOR
FEBRUARY 2007
APPLICATION NO. 1499105**

The Alberta Energy and Utilities Board (the Board) is in receipt of a letter from DERS dated January 25, 2007 in which it requested acknowledgement of energy charges applicable to its RRO service for February 2007. Also on January 25, 2007, DERS submitted a letter from the 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 also filed signed copies of the Certification of Compliance for the January 2007 procurement from the consultation party representative and the Independent Advisor.

DERS' proposed energy charges are as follows:

Rate Class	cents/kWh
Residential	9.647
Commercial	9.690
Industrial	9.240
Farming (Includes REA)	9.491
Irrigation (Includes REA)	9.491
Oil & Gas	9.294
Lighting	7.531

The Board has reviewed the filing, and accepts that the above noted energy charges represent energy charge rates determined in accordance with the directions previously issued to DERS in Order U2006-108, dated April 28, 2006 and the return margin approved in Decision 2006-107. Consequently, the Board acknowledges that the energy charges as set out above are applicable to DERS' RRO service for the month of February, 2007.

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