

Electronic Notification

January 31, 2008

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 2008
APPLICATION NO. 1557677**

The Alberta Utilities Commission (the AUC) is in receipt of a letter from DERS dated January 25, 2008 in which it requested acknowledgement of energy charges applicable to its RRO service for the month of February 2008. Also on January 25, 2008, DERS submitted a letter from the independent advisor to the Energy Procurement Process, stating that he had reviewed the energy charges filed by DERS and concurred that they were calculated in accordance with the Energy Price Setting Plan. DERS also submitted that they will file signed copies of the Certification of Compliance from the consultation party representatives, the advisor and DERS once they are all received for the January 2008 time period with the rates.

DERS' proposed energy charges for the month of February 2008 are as follows:

Rate Class	cents/kWh
Residential	8.745
Commercial	8.826
Industrial	8.405
Farming (Includes REA)	8.596
Irrigation (Includes REA)	8.596
Oil & Gas	8.438
Lighting	6.882

AUC staff 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. DERS has included the 2008 pretax return margin of

\$2.48 in the February 2008 Regulate Rate Tariff (RRT) Energy charge calculation in accordance with the Alberta Energy and Utilities Board letter dated December 19, 2007. The return margin with respect to DERS' RRT Application No. 1455025 was approved in Decision 2006-107. Consequently, the AUC acknowledges that the energy charges as set out above are applicable to DERS' RRO service for the month of February, 2008.

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 AUC to audit any previous monthly rates set by DERS. 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 AUC and DERS in a timely basis regarding the nature of their objection and include the reason why it should be considered.

In respect of future RRT acknowledgement filings, please direct all correspondence to Mr. Michael Hagan, P. Eng., Director of Rates – Edmonton, Utilities Division.

Yours truly,

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

Laurie J. Bayda
Executive Director
Public Affairs Division