

**Electronic Notification**

December 28, 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  
JANUARY 2007  
APPLICATION NO. 1493785**

The Alberta Energy and Utilities Board (the Board) is in receipt of a letter from DERS dated December 21, 2006 in which it requested acknowledgement of the energy charges applicable to its RRO service for January 2007. Also on December 21, 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' proposed energy charges are as follows:

<b>Rate Class</b>	<b>cents/kWh</b>
Residential	11.146
Commercial	11.142
Industrial	10.662
Farming (Includes REA)	11.000
Irrigation (Includes REA)	11.000
Oil & Gas	10.701
Lighting	9.112

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, dated November 1, 2006. Consequently, the Board acknowledges that the energy charges as set out above are applicable to DERS' RRO service for the month of January, 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