

December 21, 2007

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

**Attention: Becky Torrance**  
**Manager, Edmonton Office**  
**Utilities Branch**

Dear Ms. Torrance:

**Re: Direct Energy Regulated Services Regulated Rate Tariff Transition Rate for  
January 2008**

Direct Energy Regulated Services (DERS) is filing with the Alberta Energy and Utilities Board (Board or EUB) Regulated Rate Tariff (RRT) transition rates for January 2008 for the service territory of ATCO Electric Ltd.

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' EPSP. DERS will filing signed copies of the Certification of Compliance from the consultation party representatives, the advisor, and DERS once they are all received for the December 2007 time period with the February rates.

DERS has included the 2008 pretax Return Margin of \$2.48/MWh in the January 2008 RRT Energy charge calculation in accordance with the Board letter dated December 19, 2007. The RRT Margin was approved in Decision 2006-107 with respect to DERS' 2006 Regulated Rate Tariff Application No. 1455025.

Attached for the Board's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for December 2007. The RRT Rate Schedule including Rider "P" was filed as Attachment #9 as part of the 2006-2011 EPSP Application. The RRT Rate Schedules were approved in Decision 2007-103 with respect to DERS' 2007/08 Default Rate Tariffs and Regulated Rate Tariffs Non-Energy Application. The energy charges contained in the attached Rider "P" were determined in accordance with Schedule E of the Energy Price Setting Plan contained within the Settlement Agreement approved in EUB Order 2006-108. For the Board's information, 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 403-290-4635.

Yours truly,

*<Original signed by C. Grudecki>*

Corinne Grudecki  
Manager, Government & Regulatory Affairs, Canada West  
Direct Energy Marketing Limited  
*Direct Energy Regulated Services*  
*is a business unit of Direct Energy Marketing Limited*