

**Electronic Notification**

December 24, 2008

Direct Energy Regulated Services  
111 – 5<sup>th</sup> Ave SW Suite 1000  
Calgary, AB T2P 3Y6

Attention: Ms. Corinne Severson  
Senior Manager, Government & Regulatory Affairs, Canada West

**DIRECT ENERGY REGULATED SERVICES (DERS)  
REGULATED RATE OPTION (RRO) ENERGY CHARGE RATES FOR  
JANUARY 2009  
APPLICATION NO. 1600555**

The Alberta Utilities Commission (the AUC or the Commission) is in receipt of a letter from DERS dated December 23, 2008, in which it requested acknowledgement of energy charges applicable to its RRO service for the month of January 2009. In addition to its letter of December 23, 2008, DERS submitted a letter from the independent advisor<sup>1</sup> (the Advisor) stating that he had reviewed the energy charges filed by DERS and concurred that they were calculated in accordance with DERS' 2006-2011 Energy Price Setting Plan (EPSP). DERS also filed signed copies of Certifications of Compliance from the consultation party representatives, the Advisor and DERS stating that the procurement of regulated rate supply for December 2008 was done in accordance with the EPSP.

On December 24, 2008, DERS filed a second letter indicating that it had updated its proposed energy charges in light of a recent announcement of revised AESO pool trading charges for 2009. The Advisor concurred that the energy charges should reflect the new AESO charges.

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<sup>1</sup> The Advisor assisted in designing the 2006-2011 energy price setting plan (EPSP) and has an ongoing role respecting the procurement of the energy under the protocols established in the EPSP.

DERS' proposed energy charges for the month of January 2009 are as follows:

Rate Class	cents/kWh
Residential	10.360
Commercial	10.230
Industrial	9.930
Farming (Includes REA)	10.157
Irrigation (Includes REA)	10.157
Oil & Gas	9.923
Lighting	8.442

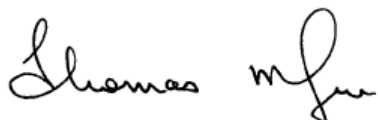
AUC staff members have reviewed the filing and the AUC accepts that the above noted energy charges represent rates determined in accordance with the DERS' EPSP approved by the AUC's predecessor, the Alberta Energy and Utilities Board (the Board), in Order U2006-108, dated April 28, 2006. The EPSP formed part of a Negotiated Settlement (NS), which the Board considered would result in rates that were just and reasonable.

DERS has included the 2009 pretax return margin of \$2.46/MWh in the January 2009 energy charge calculation in accordance with the Commission letter dated November 3, 2008. In Decision 2006-107, the Board directed DERS to update the pretax return margin each year by applying the forecast income tax rate to the Board approved after-tax margin of \$1.75/MWh.

In accordance with section 7(3) of *Regulated Rate Option Regulation*, AR 262/2005, as amended (the RROR), the AUC acknowledges that the energy charges as set out above are applicable to DERS' RRO service for the month of January, 2009.

Further, as outlined in sections 7(4) and 7(5) of the RROR, 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 charges for the month in question, they should notify the AUC and DERS in a timely manner, and include the nature of their objection and the reason(s) why it should be considered.



Thomas McGee  
Commissioner