

Electronic Notification

April 30, 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
MAY 2007
APPLICATION NO. 1510395**

The Alberta Energy and Utilities Board (the Board) is in receipt of a letter from DERS dated April 24, 2007 in which it requested acknowledgement of energy charges applicable to its RRO service for May 2007. Also on April 24, 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. DERS also filed signed copies of the Certification of Compliance for the April 2007 procurement from the consultation party representative and the independent advisor.

DERS indicates it has also included the May rate class adjustment related to the Return Margin shortfall from the July 2006 to November 2006 period approved in Order U2007-52, dated February 21, 2007.

DERS' proposed energy charges are as follows:

Rate Class	cents/kWh
Residential	7.591
Commercial	7.698
Industrial	7.217
Farming (Includes REA)	7.428
Irrigation (Includes REA)	7.268
Oil & Gas	7.243
Lighting	4.404

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 May, 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