

September 24, 2004

VIA E-MAIL

Alberta Energy and Utilities Board
10th 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 Rates
for the Period October 1, 2004 through December 31, 2004**

Direct Energy Regulated Services (DERS) is filing with the Alberta Energy and Utilities Board (Board or EUB) Regulated Rate Tariff (RRT) transition rates for the period October 1, 2004 to December 31, 2004 (Q4 2004) for the service territory of ATCO Electric Ltd.

At page 10 of Decision 2004-037, the Board noted that:

... DERS has proposed to file, with the Board for acknowledgement, energy rates prior to the beginning of each quarter and to also submit supporting documentation for the previous quarter to signify that the quarterly procurement was executed satisfactorily and in compliance with the DERS plan. The Board agrees with DERS that this is appropriate.

As discussed at paragraph 81 of DERS' RRT Transition Rate Negotiated Settlement application, dated March 31, 2004, DERS has attached the signed Round 1 Certification of Compliance signature page. The Certification of Compliance signifies that the July 1, 2004 to September 30, 2004 (Q3 2004) procurement was executed satisfactorily and in compliance with the DERS Energy Price Setting Plan.

Attached for the Board's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for Q4 2004. These energy charges were determined in accordance with the Energy Price Setting Plan contained within the Settlement Agreement approved in Decision 2004-037.

The derivation of these rates is detailed on the attached supporting schedules. The Q4 2004 Energy Rates include an Energy Charge Adjustment for the months of July and August as detailed on Schedule 6 and a Non-Energy Adjustment relating to the deferral items from Q3 2004 as shown on Schedule 7. The Q4 2004 rates for all rate classes with the exception of Irrigation include a credit relating to the Energy Adjustment. The Irrigation Energy Adjustment credit of \$191 will be carried forward and dealt with in Q2 2005.

For the Board's information, DERS has also attached the Rider "P(REA)" Energy Charge Schedule applicable to REA farm and irrigation service for the Q4 2004 period.

Should you require additional information please contact the undersigned at 403-290-7745 or Corinne Grudecki at 403-290-4635.

Yours truly,



Gary Newcombe
Director, Government & Regulatory Affairs, Western Region
Direct Energy Marketing Limited
Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited

cc: Chris Burt, EUB
DERS RRT Negotiation Consultation Parties