

June 23, 2005

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 July 1, 2005 through September 30, 2005**

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 July 1, 2005 to September 30, 2005 (Q3 2005) for the service territory of ATCO Electric Ltd.

As discussed at paragraph 81 of DERS' RRT Transition Rate Negotiated Settlement application, dated March 31, 2004, DERS has attached the signed Round 4 Certification of Compliance signature page. The Certification of Compliance signifies that the April 1, 2005 to June 30, 2005 (Q2 2005) procurement was executed satisfactorily and in compliance with the DERS Energy Price Setting Plan.

The derivation of these rates is detailed on the attached supporting schedules. The Q3 2005 Energy Rates include an Energy Charge Adjustment for the months of March, April and May 2005 as detailed on Schedule 6 and a Non-Energy Adjustment relating to the deferral items from Q2 2005 as shown on Schedule 7.

On March 23, 2005 DERS applied to the EUB for disposition of \$46,900 relating to the Deferred Electricity Account (DEA). In EUB letter dated April 1, 2005, the EUB accepted the DEA balance and the recovery method proposed by DERS. DERS has included Schedule 8 in the supporting schedules which shows the derivation of the rate class \$/kWh that has been incorporated in the Q3 2005 rates.

Attached for the Board's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for Q3 2005. These energy charges were determined in accordance with the Energy Price Setting Plan contained within the Settlement Agreement approved in Decision 2004-037. 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 Q3 2005 period.

Should you require additional information please contact the undersigned at 403-290-4635.

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki

Senior Analyst, 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