

December 22, 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 January 1, 2006 through March 31, 2006**

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 January 1, 2006 to March 31, 2006 (Q1 2006) for the service territory of ATCO Electric Ltd.

The derivation of these rates is detailed on the attached supporting schedules. The Q1 2006 Energy Rates include an Energy Charge Adjustment for the months of September, October and November 2005 as detailed on Schedule 6 and a Non-Energy Adjustment relating to the deferral items from Q4 2005 as shown on Schedule 7. DERS has attached the signed Round 5 Certification of Compliance from the Independent Advisor and Round 6 Certification of Compliance from DERS. Due to limited availability and competing schedules, DERS has been unable to obtain a signed copy of the Certification of Compliance from the Independent Advisor and the Consultation Party representatives. DERS will file these documents with the EUB in early January.

Attached for the Board's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for Q1 2006. 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 Q1 2006 period.

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

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki
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