

March 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 April 1, 2005 through June 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 April 1, 2005 to June 30, 2005 (Q2 2005) 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 3 Certification of Compliance signature page. The Certification of Compliance signifies that the January 1, 2005 to March 31, 2005 (Q1 2005) 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 Q2 2005. 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 Q1 2005 Energy Rates include an Energy Charge Adjustment for the months of December 2004, January and February 2005 as detailed on Schedule 6 and a Non-Energy Adjustment relating to the deferral items from Q1 2005 as shown on Schedule 7. The Irrigation Energy Adjustment credit of \$177 from Q3 and Q4 2004 has been included in the Q2 2005 adjustments.

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 Q2 2005 period.

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

Yours truly,

A handwritten signature in black ink, appearing to read "Gary Newcombe". The signature is fluid and cursive, with a large initial "G" and "N".

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