

July 25, 2006

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 Rate for August 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 August 2006 for the service territory of ATCO Electric Ltd.

The derivations of these rates are detailed on the attached supporting schedules. The August 2006 Energy Rates include Energy Charge Adjustments and Non-Energy Adjustments related to the month June 2006. DERS has attached the Certification of Compliance for the July 2006 procurement signed by DERS, the Advisor and one Consultation Party Representative. Once the signed Compliance Certificate is received from the other Consultation Party Representative, DERS will file with the EUB. Finally, DERS has attached a letter from the advisor stating that he has reviewed the rates and confirms that they are calculated in accordance with DERS' EPSP.

Attached for the Board's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for August 2006. These energy charges were determined in accordance with the Energy Price Setting Plan contained within the Settlement Agreement approved in EUB Order 2006-108. For the Board's information, DERS has also attached the Rider "P(REA)" Energy Charge Schedule applicable to REA farm and irrigation service.

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

Yours truly,

<Original signed by C. Grudecki>

Corinne Grudecki
Manager, Government & Regulatory Affairs, Western Region
Direct Energy Marketing Limited
*Direct Energy Regulated Services
is a business unit of Direct Energy Marketing Limited*