

Alberta Utilities Commission
10th Floor, 10055 – 106 St.
Edmonton, Alberta T5J 2Y2

Attention: Mr. Derrick Ploof
Director, Rates

Dear Mr. Ploof:

**Re: Direct Energy Regulated Services Regulated Rate Tariff Transition Rate for
May 2019**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) Regulated Rate Tariff (RRT) transition rates for May 2019 for the service territory of ATCO Electric Ltd (ATCO).

On June 7, 2017, the Government of Alberta enacted new legislation that capped the energy charges of the RRO to customers at 6.8 cents per kWh. An Act to Cap Regulated Electricity Rates applies retroactively from June 1, 2017 forward. The act expires on May 31, 2021.

DERS has reflected this new legislation in its monthly EPSP filings commencing at the end of August 2017.

DERS' calculated energy charges for the month do not exceed the price cap of 6.8 cents per kWh. Accordingly, the price cap of 6.8 cents per kWh will not be reflected in DERS' May 2018 energy charges. Additionally, DERS' deferral account has been calculated considering only deferral account balance adjustments made in accordance with the Rate Cap (Commission Approved Regulated Rate Tariffs) Regulation.

Additionally, DERS has applied a 27% forecast income tax rate to the approved after-tax return margin of \$2.83/MWh, effective January 1, 2017 from paragraph 20 of Decision 20349-D01-2015, resulting in a pre-tax return margin of \$3.88/MWh. DERS has also included the cost claim amount from Decision 24074-D01-2019, to be recovered from customers from May 2019 through April 2020.

Attached for the Commission's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for May 2019. The RRT Final Rate Schedules were approved in Decision 23989-D01-2018. 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 403-776-2154.

Yours truly,

<ORIGINAL SIGNED BY Nicole Black>

Senior Manager, Government and Regulatory Affairs
Direct Energy Marketing Limited
Direct Energy Regulated Services is a business unit of Direct Energy Marketing Limited