

February 24, 2020

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
March 2020**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) Regulated Rate Tariff (RRT) transition rates for March 2020 for the service territory of ATCO Electric Ltd (ATCO).

The March 2020 rates have been developed in accordance with DERS' Energy Price Setting Plan ("EPSP") which was approved in Decision 24296-D01-2019. The derivations of these rates are detailed in the attached supporting schedules. DERS has also attached a Director Attestation Letter and Trader Attestation Letters. The Director Attestation Letter states that the rates have been calculated in accordance with DERS' EPSP. The Trader Attestation Letters assert that, to the best of the RRO trader's or backup trader's knowledge, the "RRO-related information" contained in Confidential Schedule "E" of the EPSP has not been disclosed to any party that has not signed Appendix "G.1" of the EPSP, the Procurement Conduct Agreement.

As set out in the Commission's confidentiality ruling, Exhibit 25354-X0004, DERS has been granted an extension for continued confidential treatment of its monthly RRO report required under Section B(i) of Schedule E for the 2018-2020 EPSP. Therefore, DERS is submitting its confidential report as part of this filing and requesting the confidential treatment granted in the Commission's ruling.

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 An Act to Cap Regulated Electricity Rates was in effect starting June 1, 2017 until November 30, 2019, when it was repealed. DERS reflected this legislation changes in its monthly EPSP filings. Therefore, DERS' deferral account has been calculated to include past deferral account balance adjustments made in accordance with the Rate Cap (Commission Approved Regulated Rate Tariffs) Regulation.

Additionally, DERS has applied a 25% forecast income tax rate to the approved after-tax return margin of \$2.83/MWh, the continuation of which was approved in Decision 22635-D01-2018 in paragraph 186, resulting in a pre-tax return margin of \$3.77/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 March 2020. 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

Suite 2500, 530 8 Ave. SW
Calgary, Alberta T2P 3S8 tel.
403-776-2154 cell 403-463-3520
fax 403-290-4644
www.directenergyregulatedservices.com