

Direct Energy Marketing Limited's Tariff Billing Code Compliance Plan

October 24th, 2005

In respect to the implementation of the Alberta Tariff Billing Code Version 1.0, this document shall serve as the compliance plan as per Section 6.1 of the Tariff Billing Code (the "Code") and will be updated in accordance with the Code.

Direct Energy Regulated Services ("DERS") is a business unit of Direct Energy Marketing Limited and therefore Direct Energy Marketing Limited submits the following compliance plan on behalf of DERS. DERS performs the role of the Regulated Rate Tariff provider in the ATCO Electric service territory and is aware of, and understands, its Code obligations.

The Code establishes the standards for communicating site-specific distribution and transmission tariff charges and usage information relevant to calculating energy charges in a standardized format for the operation of an efficient, fair, and openly competitive electricity market in Alberta. These obligations arise through the *Electric Utilities Act* and the Regulated Default Supply Regulation ("RDS"). The RDS is the regulation made pursuant to the Electric Utilities Act that addresses issues related to the sharing of tariff bill ready information between wire owners and retailers and is relevant to the Tariff Billing Code. The Code sets the minimum obligations a wire owner, under the Board's jurisdiction, must meet to provide timely and accurate tariff bill ready information to retailers for distribution and system access service provided by the wire owner to the retailer.

At present, this Code applies to electricity only. In anticipation of the continued convergence of the retail electric and natural gas markets, this Code has been designed to accommodate the exchange of information for the retail natural gas market.

Business Assumptions

- DERS has opted to manage the RDS unit price change internally and therefore will not require ATCO Electric to create a Tariff Billing Period transaction for such an event. The exemption request is noted below.

Exemption Request

ATCO Electric and DERS have reached a bilateral agreement to process a Usage Period Event when an RRT energy price change occurs. DERS' retail billing system is currently equipped to calculate a usage split when an RRT energy price change occurs and therefore would not benefit from a transaction processed by the Wire Owner. As such, it is not necessary for ATCO Electric to build that functionality at this time.

DERS requests an exemption from processing a Usage Period Event as per Table 3-1 of the Tariff Billing Code 1.0 (Tariff Billing Events, when an RRT energy price change occurs).

Customer Bill production in the event that a tariff charge is not received

DERS will continue its current process for billing tariff charges in the event they are not received from a Wire Owner. DERS' billing agent, ATCO I-Tek, utilizes a table driven calculation that reflects a customer's estimated annual consumption multiplied by the appropriate Wire Owner rates. This provides an acceptable estimate in the event that a tariff charge is not received. Once an actual charge has been received by DERS from the Wire Owner, the estimate is reversed in full and is replaced by the actual charges.

Implementation Schedule

Regulated Default Supply Compliance:

- | | |
|-----------------------------------|---------------------------------|
| a) Billing Period Alignment | Sept 2004 (<i>Completed</i>) |
| b) Billing Cycle Change Alignment | Oct 2004 (<i>Completed</i>) |
| c) Billing Consumption Alignment | March 2005 (<i>Completed</i>) |

Remaining Tariff Billing Code Requirements

The remaining deliverables and required testing will mirror ATCO Electric's timeline and the expected completion date provided by ATCO Electric is July 2006. For CSA processing, performance/reporting metrics, DCM processing (all DCMs), TBD/TDN, Split Tariff periods on DT Price Change and transition of most manually billed sites to CIS is expected for February 2007.

Training

The following training assumptions have been made in regards to training of ATCO I-Tek resources, acting on behalf of DERS in customer care and billing services:

Customer representatives and billing support staff will be trained on the impact of the Tariff Billing Code and the new procedures.

Customer representatives will be trained on responding to customer queries regarding the distribution charges.

Authority Accountable for Compliance of the Code

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