

Electronic Notification

July 31, 2009

Direct Energy Marketing Limited
111 – 5th Ave SW Suite 1000
Calgary, AB T2P 3Y6Attention: Ms. Sarah Puddicombe
Analyst, Government & Regulatory Affairs, Canada West**DIRECT ENERGY REGULATED SERVICES
REGULATED RATE TARIFF
ELECTRIC ENERGY CHARGES – AUGUST 2009
APPLICATION NO. 1605304**

1. Direct Energy Regulated Services (DERS), a Business Unit of Direct Energy Marketing Limited, filed an application (Application) on July 27, 2009, with the Alberta Utilities Commission (AUC) for its energy charges applicable to its Regulated Rate Tariff (RRT) for the month of August 2009.
2. The Application included a letter from the independent advisor¹ (the Advisor) stating that he had reviewed the energy charges filed by DERS for the month of August 2009, and concurred that they were calculated in accordance with DERS' 2006-2011 Energy Price Setting Plan (EPSP). DERS also filed signed copies of Certifications of Compliance from the consultation party representatives, the Advisor and DERS stating that the procurement of regulated rate supply for July 2009 was done in accordance with the EPSP.
3. DERS' proposed energy charges for the month of August 2009 are as follows:

Rate Class	cents/kWh
Residential	9.070
Commercial	9.109
Industrial	8.806
Farming (Includes REA)	9.152
Irrigation (Includes REA)	8.857
Oil & Gas	8.761
Lighting	5.571

¹ The Advisor assisted in designing the 2006-2011 energy price setting plan (EPSP) and has an ongoing role respecting the procurement of the energy under the protocols established in the EPSP.

4. AUC staff members have reviewed the Application, including the letter from the Advisor, and the AUC accepts that the above noted energy charges represent rates determined in accordance with the DERS' EPSP approved by the AUC's predecessor, the Alberta Energy and Utilities Board (Board), in Order [U2006-108](#).² The EPSP formed part of a Negotiated Settlement, which the Board considered would result in rates that were just and reasonable.

5. DERS has included the 2009 pretax return margin of \$2.46/MWh in the August 2009 energy charge calculation in accordance with the AUC letter dated November 3, 2008. In Decision [2006-107](#),³ the Board directed DERS to update the pretax return margin each year by applying the forecast income tax rate to the Board approved after-tax margin of \$1.75/MWh.

6. In accordance with section 7(3) of the *Regulated Rate Option Regulation*, AR 262/2005, as amended (the RROR), the AUC acknowledges that the energy charges as set out above are applicable to DERS' RRT for the month of August 2009.

7. Further, as outlined in RROR sections 7(4) and 7(5), DERS must retain records sufficient to enable the AUC to audit any previous monthly rates set by DERS. Any amount overcharged to customers due to an incorrect rate calculation must be refunded to customers as soon as practicable after the error is discovered.

8. If any affected party objects to the calculation of the energy charges for the month in question, they should notify the AUC and DERS in a timely manner, and include the nature of their objection and the reason(s) why it should be considered.



Carolyn Dahl Rees
Vice-Chair

² Order U2006-108 – Direct Energy Regulated Services 2006-2011 Regulated Rate Option Energy Price Setting Plan Negotiated Settlement (Application 1454813) (Released: April 28, 2006)

³ Decision 2006-107 – Direct Energy Regulated Services Reasonable Return Margin Effective July 1, 2006 (Application 1455025) (Released: November 1, 2006)