

October 27, 2008

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

**Attention: Mr. Michael Hagan, P. Eng.,  
Director of Rates – Edmonton,  
Utilities Division**

Dear Mr. Hagan:

**Re: Direct Energy Regulated Services Regulated Rate Tariff Transition Rate for  
November 2008**

Direct Energy Regulated Services (DERS) is filing with the Alberta Utilities Commission (Commission or AUC) Regulated Rate Tariff (RRT) transition rates for November 2008 for the service territory of ATCO Electric Ltd.

The derivations of these rates are detailed on the attached supporting schedules. DERS has also attached a letter from the advisor stating that he has reviewed the rates and confirms that they are calculated in accordance with DERS' EPSP. DERS has also attached signed copies of the Certification of Compliance from the independent advisor, consultation party representatives and DERS for the October 2008 time period.

DERS has included the 2008 pretax Return Margin of \$2.48/MWh in the November 2008 RRT Energy charge calculation in accordance with the Board letter dated December 19, 2007. The RRT Margin was approved in Decision 2006-107 with respect to DERS' 2006 Regulated Rate Tariff Application No. 1455025.

DERS has updated the letter of credit costs associated with the facility used to support NGX to 60 basis points from 37.5 basis points effective November 1, 2008. This change is required due to the expiry of the previous letter of credit. DERS considers that this cost is appropriate in light of the recent world credit events and will continue to monitor and manage all of its credit agreements.

Attached for the Commission's acknowledgement is DERS' Rider "P" Energy Charge Schedule applicable to Rates E1 through E7 for November 2008. The RRT Rate Schedule including Rider "P" was filed as Attachment #9 as part of the 2006-2011 EPSP Application. The RRT Rate Schedules were approved in Decision 2007-103 with respect to DERS' 2007/08 Default Rate Tariffs and Regulated Rate Tariffs Non-Energy Application. The energy charges contained in the attached Rider "P" were determined in accordance with Schedule E of the Energy Price Setting Plan contained within the Settlement Agreement approved in EUB Order 2006-108. For

the Commission'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. SEVERSON>

Corinne Severson  
Senior Manager, Government & Regulatory Affairs, Canada West  
Direct Energy Marketing Limited  
*Direct Energy Regulated Services is a business unit of Direct Energy Marketing Limited*