

September 9, 2005

**VIA E-MAIL**

Alberta Energy and Utilities Board  
10055 – 106 Street, 10<sup>th</sup> Floor  
Edmonton, Alberta T5J 2Y2

**Attention: Mike Hagan, P. Eng.**  
**Application Officer, Utilities Branch**

Dear Mr. Hagan:

**Re: Direct Energy Regulated Services**  
**DRT and RRT Rate Applications for 2005 and 2006**  
**Application No. 1399611**

Further to the CG letter of July 18, 2005 and the teleconference on August 31, 2005 with interested parties in this Application, Direct Energy Regulated Services (DERS) wishes to respond to the issues outlined in the CG July 18 letter.

During the August 31 teleconference, interveners identified the need for DERS to respond to the July 18 letter and provide a list of issues, relevant IRs and suggest a process for dealing with the outstanding issues.

DERS has provided as Attachment 1 to this letter a comprehensive listing of the items contained in the DRT and RRT non-energy applications, which captures the issues identified by the CG. The attachment to this letter provides a complete list of all items in the application, identifies the relevant IRs that offer additional information on the item, provides reference to the pertinent sections of the application, describes DERS' position on the item and suggests a process to deal with the item. DERS' description of the item is not intended to summarize every item dealt with in the application, but rather provide a general background on the issue and identify where supporting material can be found. As shown on the attachment, DERS continues to believe that all issues can be addressed effectively in a negotiated settlement.

At the August 31 teleconference, interested parties requested additional information regarding the proposed lighting rates. In response, DERS is providing correspondence between DERS and Mr. Tom Marriott regarding the lighting rate as Attachment 2. During this teleconference the CG also asked that DERS respond to a specific question in CG-DERS-46. DERS has provided this response in Attachment 3 to this letter.

I may be reached at 403-290-6851 if you wish to discuss further.

Yours truly,

*<<original signed by Donald E. Gibbons>>*

Donald E. Gibbons  
Director, Regulatory Affairs, Western Region  
Direct Energy Marketing Limited

*Direct Energy Regulated Services  
is a business unit of Direct Energy Marketing Limited*

cc: Interested Parties