

EXECUTIVE SUMMARY

This information package was developed to assist all parties participating in the monthly Gas Cost Flow Through Rate (GCFR) process for Direct Energy Regulated Services Deferred Gas Account (DGA).

This document contains information used to derive a Rider F of \$2.064/GJ for Direct Energy Regulated Services (DERS) gas customers for February 2012.

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INTRODUCTION

This section provides an overview of the Deferred Gas Account (DGA).

Schedules M-1 and M-2 show the DGA components as of January 25, 2012.

Schedule M-1 includes actual, estimated and forecast costs for the various gas supply components and actual, estimated and forecast dollars for the recovery components.

Schedule M-2 includes actual, estimated and forecast energy balance for the DGA.

In order to zero the forecast balance of the DGA on February 29, 2012, a Rider F of \$2.064/GJ should be implemented for DERS Gas Customers on February 01, 2012.

**SECTION 1
DGA COST AND RECOVERY OVERVIEW**

**SCHEDULE M-1
MONTHLY DGA COSTS AND RECOVERIES**

Line	Description	Units	A	B	C	D	E
			Previous Period Adjustment	Actual Nov-11	Estimate Dec-11	Estimate Jan-12	Forecast Feb-12
1	Opening Cumulative DGA Balance	\$,000	(188)	(159)	(72)	833	2,757
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	22,574	23,240	25,019	18,208
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Imbalances	\$,000	0	0	0	0	0
5	Total Gas Supply Costs	\$,000	0	22,574	23,240	25,019	18,208
<u>Adjustments</u>							
6	Transportation	\$,000	0	0	0	0	0
7	Procurement	\$,000	0	32	32	32	32
8	Net Gas Costs	\$,000	0	22,607	23,273	25,052	18,240
<u>Recoveries</u>							
9	Net Calendar Sales*	\$,000	28	22,373	23,527	26,808	15,483
10	Excess System Sales	\$,000	0	321	651	168	0
11	Total Recoveries	\$,000	28	22,694	24,177	26,976	15,483
12	Current DGA Balance	\$,000	28	87	905	1,924	(2,757)
13	Closing Cumulative DGA Balance	\$,000	(159)	(72)	833	2,757	0

* Net Calendar Sales excludes return margin amounts.

January 25, 2012

**SCHEDULE M-2
MONTHLY DGA ENERGY BALANCE**

Line	Description	Units	A Actual Nov-11	B Estimate Dec-11	C Estimate Jan-12	D Forecast Feb-12
<u>Gas Supply Costs</u>						
1	Purchases	TJ	7,175	7,530	9,484	7,916
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	7,175	7,530	9,484	7,916
<u>Recoveries</u>						
4	Calendar Sales	TJ	7,031	7,313	9,342	7,833
5	Excess System Sales	TJ	106	237	63	0
6	Total Recoveries	TJ	7,138	7,550	9,405	7,833
7	Load Balancing / UFG Estimate	TJ	(37)	21	(79)	(82)

SPECIAL NOTES

INTRODUCTION

This section provides details of the Deferred Gas Account (DGA) components for November 2011.

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for November 2011 as of October 25, 2011 and January 25, 2012 respectively.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES

November 2011

Line	Description	Units	Forecast October 25, 2011	Actual January 25, 2012	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	22,809	22,574	(234)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	22,809	22,574	(234)
<u>Adjustments</u>					
5	Transportation	\$,000	0	0	0
6	Procurement	\$,000	32	32	0
7	Bad Debts	\$,000	0	0	0
8	Working Capital	\$,000	0	0	0
9	Credit Charge	\$,000	0	0	0
10	Net Gas Costs	\$,000	22,842	22,607	(235)
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	22,518	22,373	(145)
12	Excess System Sales	\$,000	0	321	321
13	Penalty Revenue	\$,000	0	0	0
14	Total Recoveries	\$,000	22,518	22,694	176

* Net Calendar Sales excludes return margin amounts.

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-2 shows the forecast and actual DGA energy balance for November 2011 as of October 25, 2011 and January 25, 2012. It also shows the normal and actual degree days for November 2011.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
November 2011

Line	Description	Units	Forecast October 25, 2011	Actual January 25, 2012	Actual less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	7,151	7,175	24
2	Imbalances	TJ	0	0	0
<hr/>					
3	Total Energy	TJ	7,151	7,175	24
<u>Recoveries</u>					
4	Calendar Sales	TJ	7,076	7,031	(45)
5	Excess System Sales	TJ	0	106	106
<hr/>					
6	Total Recoveries	TJ	7,076	7,138	61
<hr/>					
7	DGA UFG	TJ	(75)	(37)	37
8	Degree Days	DD	525	522	(3)

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual DGA purchase gas components for November 2011 as of January 25, 2012.

SCHEDULE R-3
ACTUAL GAS PURCHASES
November 2011

Line	Description	Units	Actual January 25, 2012
1	NOVA Field Receipts	\$,000	3
2		TJ	1
3		\$/GJ	3.239
4	Nova Inventory Transfer Supplies	\$,000	22,569
5		TJ	7,174
6		\$/GJ	3.146
7	Total Purchases	\$,000	22,572
8		TJ	7,175
9		\$/GJ	3.146

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-4 shows the actual DGA NOVA Field Receipts gas components for November 2011 as of January 25, 2012.

SCHEDULE R-4
ACTUAL GAS PURCHASES - NOVA FIELD RECEIPTS

		November 2011	Actual January 25, 2012
Line	Description	Units	
1	Long Term Indexed	\$,000	3
2		TJ	1
3		\$/GJ	3.239
4	Total Long Term	\$,000	3
5		TJ	1
6		\$/GJ	3.239
7	Short Term (Monthly Index)	\$,000	0
8		TJ	0
9		\$/GJ	0.000
10	Short Term (Daily Index)	\$,000	0
11		TJ	0
12		\$/GJ	0.000
13	Total Short Term	\$,000	0
14		TJ	0
15		\$/GJ	0.000
16	Total NOVA Field Receipts	\$,000	3
17		TJ	1
18		\$/GJ	3.239

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SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-5 shows the actual DGA Nova Inventory Transfer purchase gas components for November 2011 as of January 25, 2012.

SCHEDULE R-5
ACTUAL GAS PURCHASES - NOVA INVENTORY TRANSFER SUPPLIES

		November 2011	Actual January 25, 2012
<u>Line</u>	<u>Description</u>	<u>Units</u>	
1	Long Term Indexed	\$,000	2,879
2		TJ	900
3		\$/GJ	3.199
4	Total Long Term	\$,000	2,879
5		TJ	900
6		\$/GJ	3.199
7	Short Term (Monthly Index)	\$,000	9,119
8		TJ	2,850
9		\$/GJ	3.200
10	Short Term (Daily Index)	\$,000	10,571
11		TJ	3,424
12		\$/GJ	3.088
13	Total Short Term	\$,000	19,690
14		TJ	6,274
15		\$/GJ	3.138
16	Total Nova Inventory Transfer Supplies	\$,000	22,569
17		TJ	7,174
18		\$/GJ	3.146

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Schedule R-6 shows the forecast and actual unit gas prices for November 2011 as of October 25, 2011 and January 25, 2012 respectively.

SCHEDULE R-6
FORECAST AND ACTUAL UNIT GAS PRICES
November 2011

Line	Description	Units	Forecast October 25, 2011	Actual January 25, 2012	Actual less Forecast
1	AECO Monthly Index	\$/GJ	3.1971	3.1914	(0.0057)
2	AECO Daily INDEX	\$/GJ	3.1815	3.0801	(0.1014)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including October 24, 2011 on the AECO/NGX Intra-Alberta November (Near Month) instrument as reported by NGX.
2. The actual unit price in Line 1 was the weighted average price of the transactions made up to and including October 31, 2011 on the AECO/NGX Intra-Alberta November (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the November, AECO/NGX Intra-Alberta Settlement prices on October 18, 19, 20, 21 & 24, 2011.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in November, 2011 as reported by NGX and includes all weekend deals.

The TCPL (AB) transportation costs reflect Firm Transportation Receipt charges on the NOVA Gas transmission system.

SCHEDULE R-7
TRANSPORTATION & STORAGE COSTS
November 2011

Line	Description	Units	Actual
1	Total		

SECTION 2
RECONCILIATION MONTH SCHEDULES

The R-10 schedules show the actual day gas sales and purchases for the reconciliation month as at the filing date.

Short term transaction totals in schedules R 10 A S are shown only if all four of these criteria are satisfied:

1. Transactions are done for the same time frame (e.g. same day or yesterday).
2. Transactions are done for the same point (i.e. NIT).
3. Transactions are done using the same pricing regime (i.e. fixed vs. index based).
4. Both regulated and deregulated deals are transacting in the same direction (i.e. both selling or both buying).

Schedule R 10 A S - Actual Spot Gas Purchases by Trade Day

November 2011

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

DAY	Yesterday (YD)			AECO YD	Same Day (SD)					AECO Daily
	Avg. Cost		Total Cost	Daily Average	Fixed	Avg. Cost	Index Related	Avg. Cost	Total Cost	Index
	GJ's	\$/GJ	\$	\$/GJ	GJ's	\$/GJ	GJ's	\$/GJ	\$	\$/GJ
1	0	0.0000	0.00	3.1077	0	0.0000	65,000	3.0826	200,369.00	3.0826
2	0	0.0000	0.00	3.2231	0	0.0000	43,000	3.1291	134,551.30	3.1291
3	0	0.0000	0.00	3.2810	0	0.0000	39,600	3.2306	127,931.76	3.2306
4	17,000	3.2800	55,760.00	3.2640	0	0.0000	150,000	3.2528	487,923.90	3.2704
5	1,800	3.2415	5,834.70	3.1641	0	0.0000	20,000	3.2390	64,780.00	3.2415
6	1,000	3.1707	3,170.70	3.1541	0	0.0000	0	0.0000	0.00	3.1707
7	(6,700)	3.0700	(20,569.00)	3.1062	0	0.0000	115,000	3.1595	363,341.00	3.1584
8	(5,960)	3.0916	(18,425.94)	3.0231	0	0.0000	95,000	3.0891	293,464.50	3.0916
9	(13,096)	3.2336	(42,347.23)	3.2258	0	0.0000	75,000	3.0322	227,417.50	3.0329
10	(6,000)	3.0900	(18,540.00)	3.0840	0	0.0000	25,000	3.2299	80,746.50	3.2300
11	(18,700)	2.9291	(54,775.00)	2.9352	0	0.0000	180,000	3.0560	550,080.00	3.0630
12	(22,100)	2.8942	(63,962.50)	2.9023	0	0.0000	90,000	2.9146	262,314.00	2.9434
13	(8,000)	2.8500	(22,800.00)	2.8610	0	0.0000	0	0.0000	0.00	2.9204
14	1	2.8800	2.88	3.0662	10,000	2.9100	74,000	2.8800	242,219.10	2.8800
15	0	0.0000	0.00	3.1806	0	0.0000	109,000	3.0707	334,706.30	3.0707
16	(1,150)	3.1647	(3,639.41)	3.1249	20,000	3.1700	70,000	3.1651	284,954.00	3.1647
17	34,500	3.2026	110,491.25	3.1454	19,400	3.1264	100,000	3.1228	372,933.00	3.1228
18	12,000	3.1065	37,278.00	3.1020	40,000	3.0794	360,000	3.0994	1,238,977.00	3.1065
19	40,000	3.1589	126,358.00	3.1763	0	0.0000	30,700	3.1137	95,590.59	3.1137
20	(10,050)	3.1506	(31,663.53)	3.0737	0	0.0000	20,000	3.1506	63,012.00	3.1506
21	(12,000)	3.0513	(36,616.20)	3.0351	10,000	3.0425	150,000	3.0423	486,765.00	3.0416
22	(100)	2.9826	(298.26)	2.8583	0	0.0000	55,000	2.9840	164,118.00	2.9826
23	(2,500)	2.8450	(7,112.50)	3.0446	0	0.0000	250,000	2.8119	702,975.00	2.8450
24	13,900	3.0547	42,460.33	3.1790	20,000	3.0875	20,000	3.0547	122,844.00	3.0547
25	0	0.0000	0.00	3.2653	50,000	3.1960	30,000	3.0991	252,773.00	3.1927
26	7,419	3.2053	23,780.12	3.0662	0	0.0000	0	0.0000	0.00	3.2053
27	4,085	3.0695	12,538.91	2.9842	0	0.0000	0	0.0000	0.00	3.0695

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28	6,450	2.9703	19,158.44
29	0	0.0000	0.00
30	0	0.0000	0.00
	31,799		116,083.76

3.0628
3.0024
3.0197
TOTALS

0	0.0000	100,000	2.9713	297,130.00
0	0.0000	65,000	3.0776	200,041.00
0	0.0000	60,000	3.0058	180,348.00
169,400		2,391,300		7,832,305.45

2.9703
3.0754
3.0058

Schedule R 10 G S - Actual Spot Gas Purchases by Delivery Day

November 2011

PEAKING Demand Supply Contracts

Nova Inventory Transfer Supplies

DAY	Index Related	Same Day (SD)		AECO Daily
	GJ's	Avg. Cost \$/GJ	Total Cost \$	Index \$/GJ
1	0	0.0000	0	3.0826
3	25,000	3.2606	81,515	3.2306
4	225,000	3.2879	739,778	3.2704
7	0	0.0000	0	3.1584
15	100,000	3.1477	314,770	3.0707
17	0	0.0000	0	3.1228
18	300,000	3.1282	938,460	3.1065
21	0	0.0000	0	3.0416
30	75,000	3.0358	227,685	3.0058
TOTALS	725,000		2,302,208	

Schedule R 10 I S - Long Term & Short Term Purchases

November 2011

Direct Energy Regulated Services

NOVA Field Receipts

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
263586	11/01/2011	11/30/2011	557	3.350	1,866
180946	11/01/2011	11/30/2011	359	3.066	1,101
Total Long Term Indexed			916	3.239	2,967

Schedule R 10 J S - Long Term & Short Term(Monthly Index) Purchases
November 2011

Direct Energy Regulated Services

Nova Inventory Transfer Supplies

<u>Trade</u>	<u>From</u>	<u>To</u>	<u>Volume(GJ)</u>	<u>Price</u>	<u>Value</u>
1039638	11/01/2011	11/30/2011	300,000	3.199	959,670
1037375	11/01/2011	11/30/2011	600,000	3.199	1,919,340
Total -Long Term Indexed			900,000	3.199	2,879,010
1048103	11/01/2011	11/30/2011	450,000	3.201	1,440,630
1046505	11/01/2011	11/30/2011	300,000	3.201	960,420
1045335	11/01/2011	11/30/2011	600,000	3.199	1,919,340
1045337	11/01/2011	11/30/2011	750,000	3.199	2,399,175
1046544	11/01/2011	11/30/2011	150,000	3.201	480,210
1037378	11/01/2011	11/30/2011	600,000	3.199	1,919,340
Total -Short Term(Monthly Index)			2,850,000	3.200	9,119,115

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for February 2012.

Schedule M-1 in Section 1 shows the forecast costs for the various gas supply categories, gas cost adjustments and the forecast dollars for the various recovery components for February 2012.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for February 2012.

Schedule F-1 shows the forecast of gas purchases for February 2012 by pricing mechanism. As shown in Schedule F-1, most of the gas purchases have AECO Monthly or Daily Index pricing mechanism.

Most of the Other purchase category is also influenced by AECO index pricing mechanism.

SCHEDULE F-1
FORECAST GAS PURCHASES
February 2012

Line	Description	Units	Forecast January 25, 2012
1	AECO Monthly Index	TJ	4,267
2	AECO Daily Index	TJ	3,648
3	Other	TJ	0
3	Other	TJ	1
	Total	TJ	7,916

Schedule F-2 shows the forecast of the unit gas prices for February 2012.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
February 2012

Line	Description	UNIT	Forecast January 25, 2012
1	AECO Monthly Index	\$/GJ	2.3741
2	AECO Daily Index (1)	\$/GJ	2.2135

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including January 24, 2012 on the AECO/NGX Intra-Alberta February (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the February, AECO/NGX Intra-Alberta Settlement prices on January 18, 19, 20, 23 & 24, 2012.

In order to zero the forecast balance of the DGA on February 29, 2012, a Rider F of \$2.064/GJ should be implemented on February 01, 2012. Schedule F-3 shows how this rate is calculated.

**SCHEDULE F-3
RIDER F RATE DERIVATION**

February 2012

Line	Description	Units	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	2,757
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	18,240
3	Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 6, Column E	0
4	Excess System Sales Estimate	\$,000	Schedule M-1, Line 10, Column E	0
5	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	15,483
6	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	7,833
7	GCFR	\$/GJ	Line 5 divided by Line 6	1.977
8	Approved Energy Related Charges	\$/GJ	Decision 2011-456	0.063
9	Approved Return Margin	\$/GJ	Decision 2011-456	0.024
10	Rider F	\$/GJ	Line 7 + Line 8 + Line 9	2.064

SPECIAL NOTES

