



## Direct Energy Regulated Services – South

Default Rate Tariff  
Gas Charge – May 2009

April 30, 2009



**ALBERTA UTILITIES COMMISSION**

Decision 2009-056: Direct Energy Regulated Services – South

Default Rate Tariff

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Application No. 1605007

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# ALBERTA UTILITIES COMMISSION

Calgary Alberta

## DIRECT ENERGY REGULATED SERVICES – SOUTH DEFAULT RATE TARIFF GAS CHARGE – MAY 2009

Decision 2009-056  
Application No. 1605007

1. Direct Energy Regulated Services (DERS), a Business Unit of Direct Energy Marketing Limited, filed an application (Application) on April 24, 2009, with the Alberta Utilities Commission (AUC) requesting approval of its gas cost flow-through rate<sup>1</sup> (GCFR) for the month of May 2009 for customers served in the ATCO Gas<sup>2</sup> South service territory. The proposed GCFR was \$3.038 per gigajoule (GJ).

2. In accordance with section 3(5) of *Default Gas Supply Regulation*, AR 184/2003, the GCFR must be calculated on a monthly flow through basis, as determined by the AUC.

3. In Order [U2008-374](#),<sup>3</sup> the AUC approved for DERS on an interim basis, effective January 1, 2009, a return margin of \$0.0223/GJ. Unlike the GCFR, the return margin is not subject to deferral account treatment through DERS's deferred gas account but is to be recovered with the GCFR through DERS's Rate Rider "F". For the month of May 2009, DERS included the following amounts in setting Rider "F" for customers served in the ATCO Gas South service territory:

	\$/GJ
GCFR	3.038
Reasonable return margin (rounded)	<u>0.023</u>
Rider "F"	<u>3.061</u>

4. AUC staff members have reviewed the Application, and the AUC considers that the proposed GCFR was determined in accordance with the directions previously issued to gas utilities by the Alberta Energy and Utilities Board, predecessor to the AUC, in Decision [2001-75](#),<sup>4</sup> and more specifically to ATCO Gas South in Decision [2002-034](#),<sup>5</sup> and to DERS in Decision [2003-106](#).<sup>6</sup> Consequently, the AUC approves for DERS the GCFR of \$3.038/GJ,

<sup>1</sup> This rate for marketable gas, also known as a gas cost recovery rate (GCRR), is referred to as the gas charge under the *Default Gas Supply Regulation*, AR 184/2003

<sup>2</sup> A division of ATCO Gas and Pipelines Ltd.

<sup>3</sup> Order U2008-374 – Direct Energy Regulated Services, 2009 Interim Default Rate Tariff and Regulated Rate Tariff (Application 1595512, Proceeding ID 134) (Released: December 11, 2008)

<sup>4</sup> Decision 2001-75 – Methodology for Managing Gas Supply Portfolios and Determining Gas Cost Recovery Rates (Methodology) Proceeding and Gas Rate Unbundling (Unbundling) Proceeding, Part A: GCRR Methodology and Gas Rate Unbundling (Applications 2001040 and 2001093, Files 5680-1 and 5680-2) (Released: October 30, 2001)

<sup>5</sup> Decision 2002-034 – ATCO Gas South GCRR Methodology and Gas Rate Unbundling – Compliance Filing (Application 1257245 and 1257515, File 5626-52 and 5626-43) (Released: March 21, 2002)

<sup>6</sup> Decision 2003-106 – Direct Energy Regulated Services Electric Regulated Rate Tariff and Gas Default Rate Tariff (Application 1302109) (Released: December 18, 2003)

which is to be applied to all energy sold to customers served by DERS under Rates G1, G3 and G5 in the ATCO Gas South service territory during the month of May 2009.

5. As directed in Decision 2001-75, a 30-day review period was provided to interested parties following the filing of each monthly Gas Cost Recovery Rate (GCRR) in which parties could raise any concerns with the GCRR, price and volume forecasts, and prior period reconciliations. As DERS is the Default Supply Provider for ATCO Gas, the 30-day review period is similarly applicable to the GCFRs requested by DERS.

Dated in Calgary, Alberta on April 30, 2009.

**ALBERTA UTILITIES COMMISSION**

*(original signed by)*

N. Allen Maydonik, Q.C  
Commissioner