

## **Appendix B – South Additional Information**

Direct Energy Regulated Services  
November 2008 GCFR

# September Data

Figure 1 – Daily Price Data

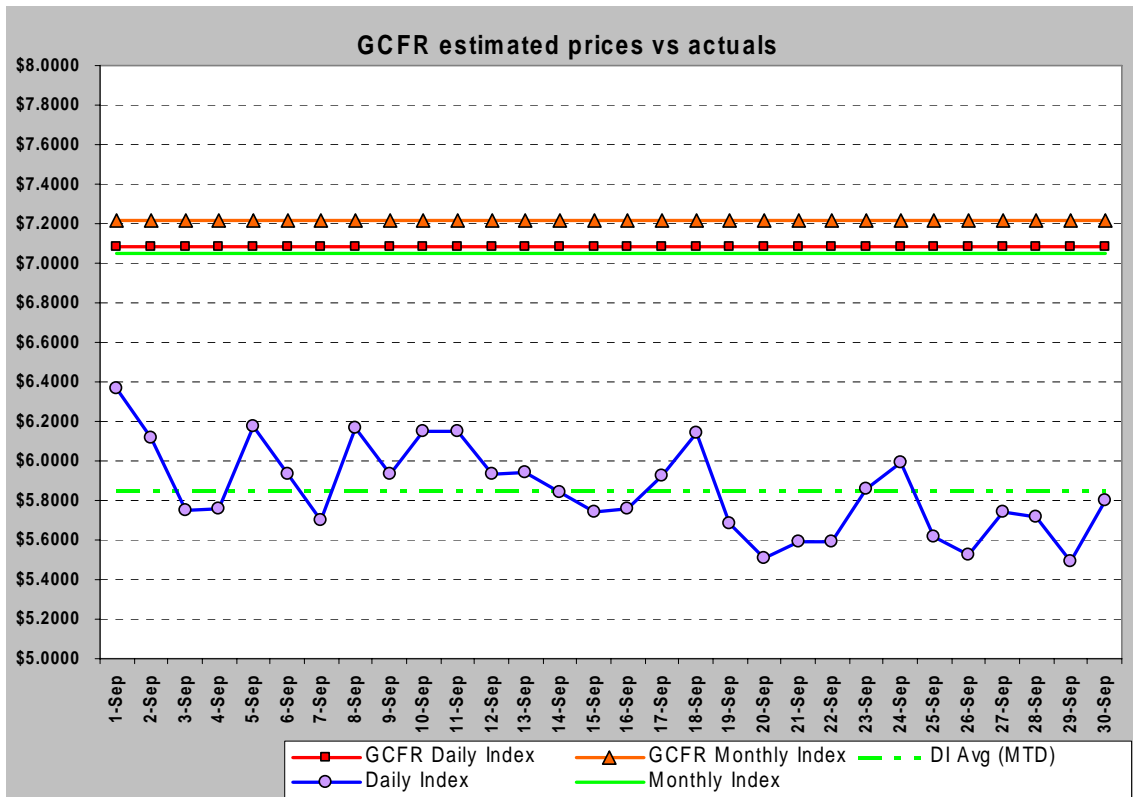


Table 1 – Price Comparison (September)

	September GCFR	Actual	Difference
MI	\$7.1239	\$7.0475	(\$0.166)
DI Average	\$7.0865	\$5.8539	(\$1.233)

Figure 1 shows the difference in the actual daily and monthly index prices and the forecast daily and monthly prices that were included in the August GCFR. Figure 2 below shows the actual temperature during the month of September for Calgary.

Figure 2 – Daily Weather Data (Calgary)

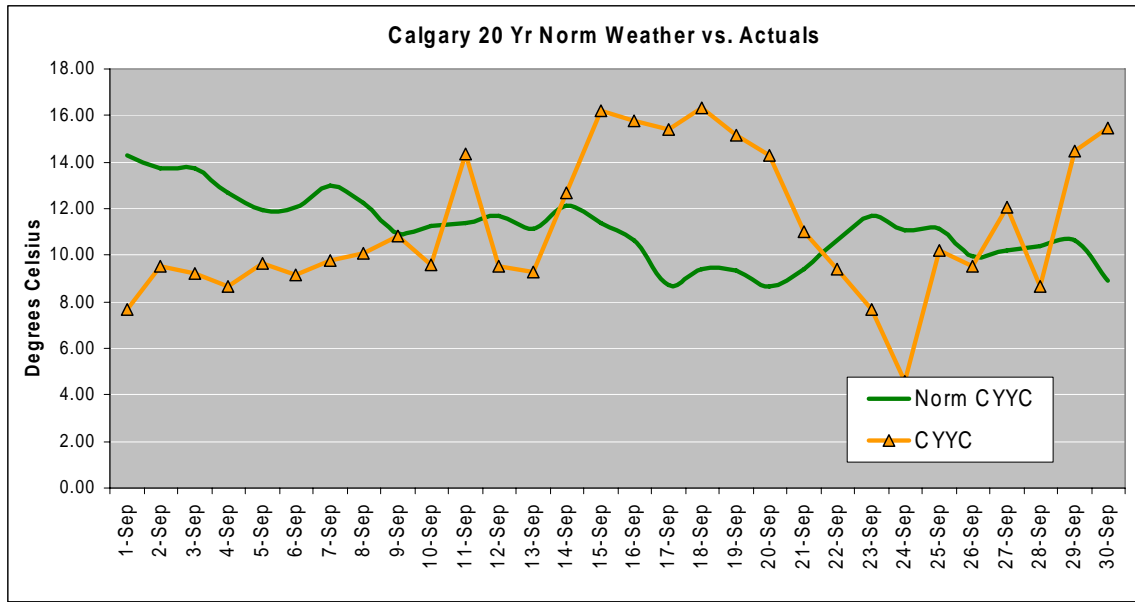


Figure 3 – South Supply Purchases (TJ)

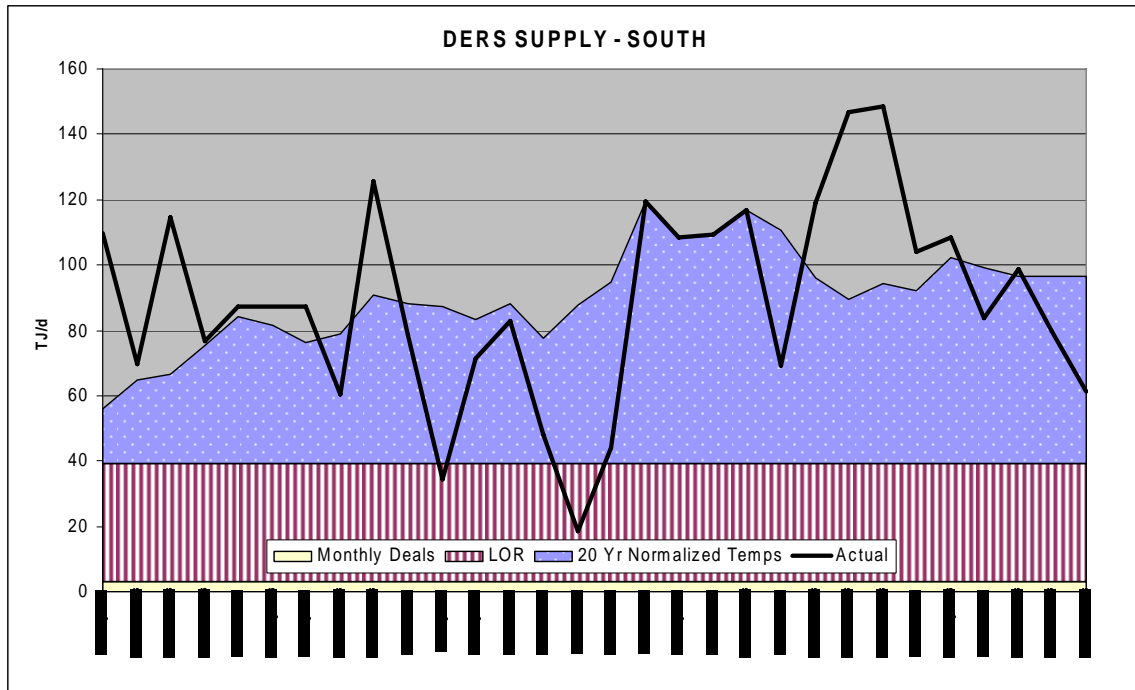
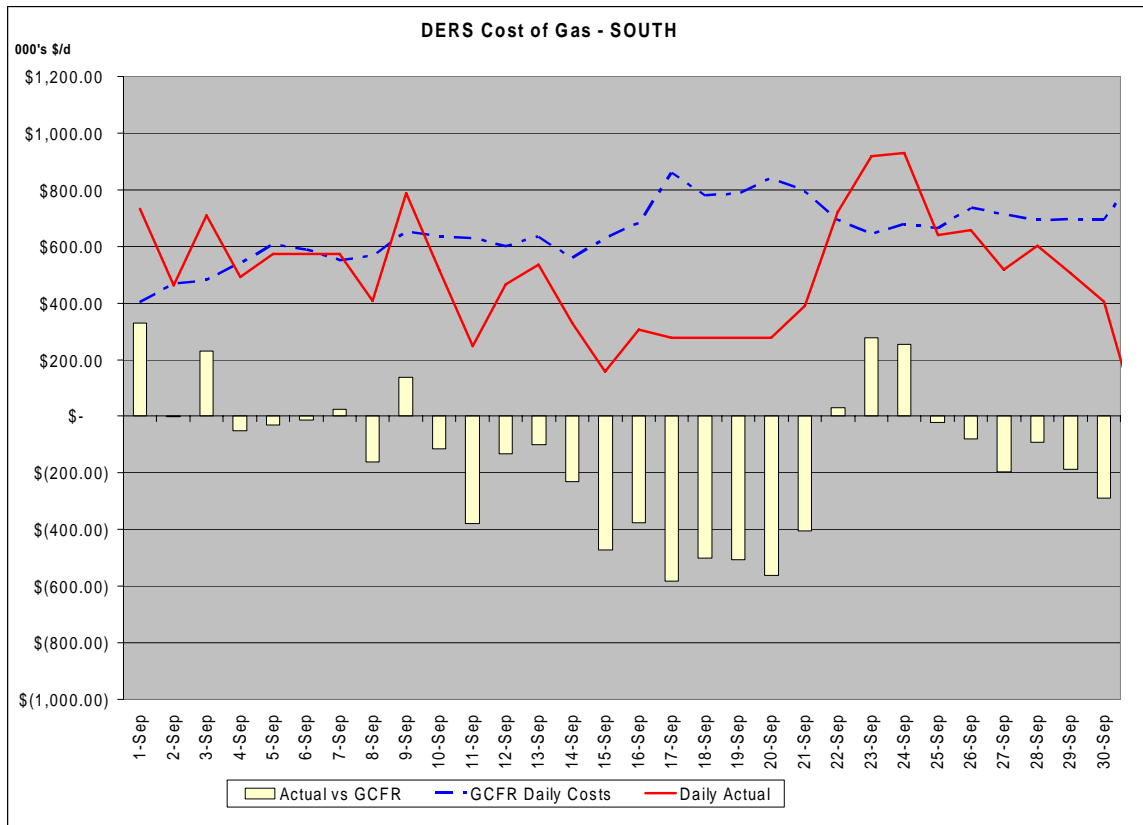


Table 2 – September Supply Purchases (TJ)

September Totals (TJ)		Schedule Reference
Monthly	90	
Life of Reserve	1,087	
20 yr normal	1,234	
Actual	(151)	
Core and LB	113	
Total (November GCFR)	2,373	November GCFR (M-2 column B (Line 1 minus Line 9))
September GCFR	2,845	September GCFR (M-2 column D (Line 1))
Difference	(472)	November GCFR line minus September GCFR line

Figure 4 – South Purchases (\$'000)



Please note that the estimated actuals for the current month is a "net" estimate. This number is the sum of current month purchases minus excess system sales.

Table 3 – September Purchases (\$'000)

September Purchases Total (\$'000)		Schedule References
September GCFR Forecast	\$20,317	September GCFR (M-1 Column E (line 2 minus line 16))
November GCFR Forecast	\$15,304	November GCFR (M-1 Column C (line 2 minus line 16))
Difference	(\$5,013)	November GCFR line minus September GCFR line

South Calendar Sales (\$'000)

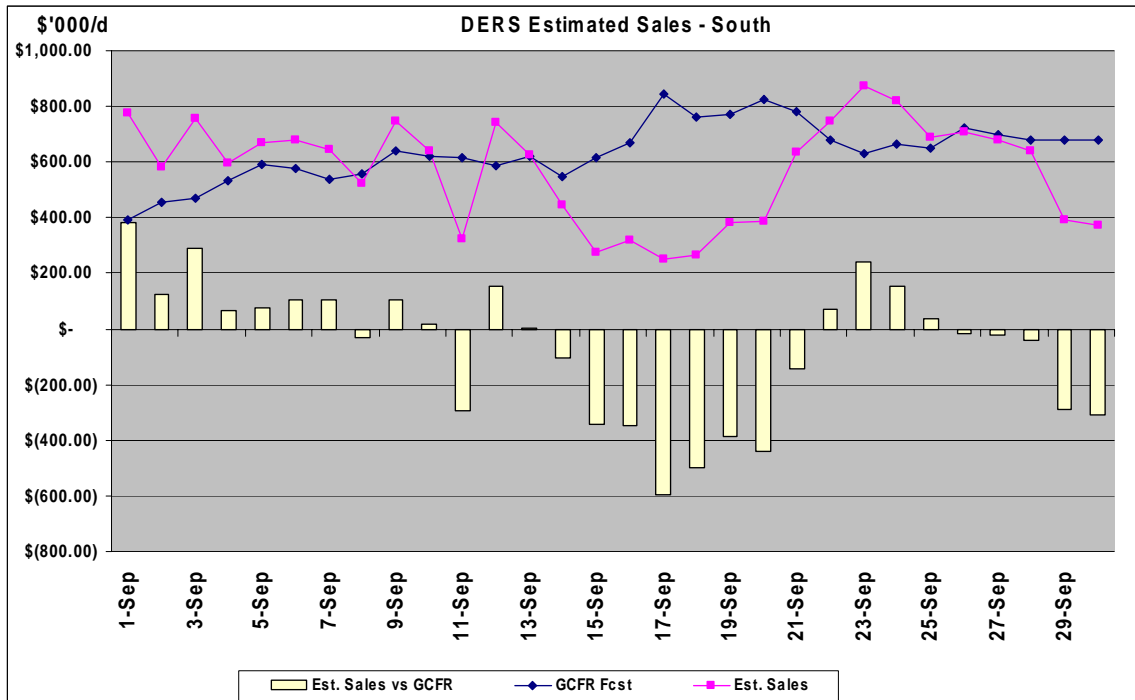


Table 4 – September Sales (\$'000)

September Sales Total (\$'000)		Schedule References
September GCFR Forecast	\$19,852	September GCFR (M-1 Column E (line 14))
November GCFR Forecast	\$20,105	November GCFR (M-1 Column C (line 14))
Difference	\$253	November GCFR line minus September GCFR line

The chart below shows the cost of gas and calendar sales for the month of September as reported in the September and November GCFR.

Table 5 – Variance in September and November GCFR for September Calendar Month Purchases and Sales (\$'000)

	September GCFR	November GCFR	Table References
September Sales	\$19,852	\$20,105	Table 4
September Purchases	\$20,317	\$15,304	Table 3
Difference	(\$465)	\$13,191	Sales minus Purchases

Note: The data shown in Figures 1 through 4 have been taken as of October 27<sup>th</sup> and represents information available to DERS at the time. Numbers may be slightly off as a result of rounding differences.

# October Data

Figure 6 – Daily Price Data

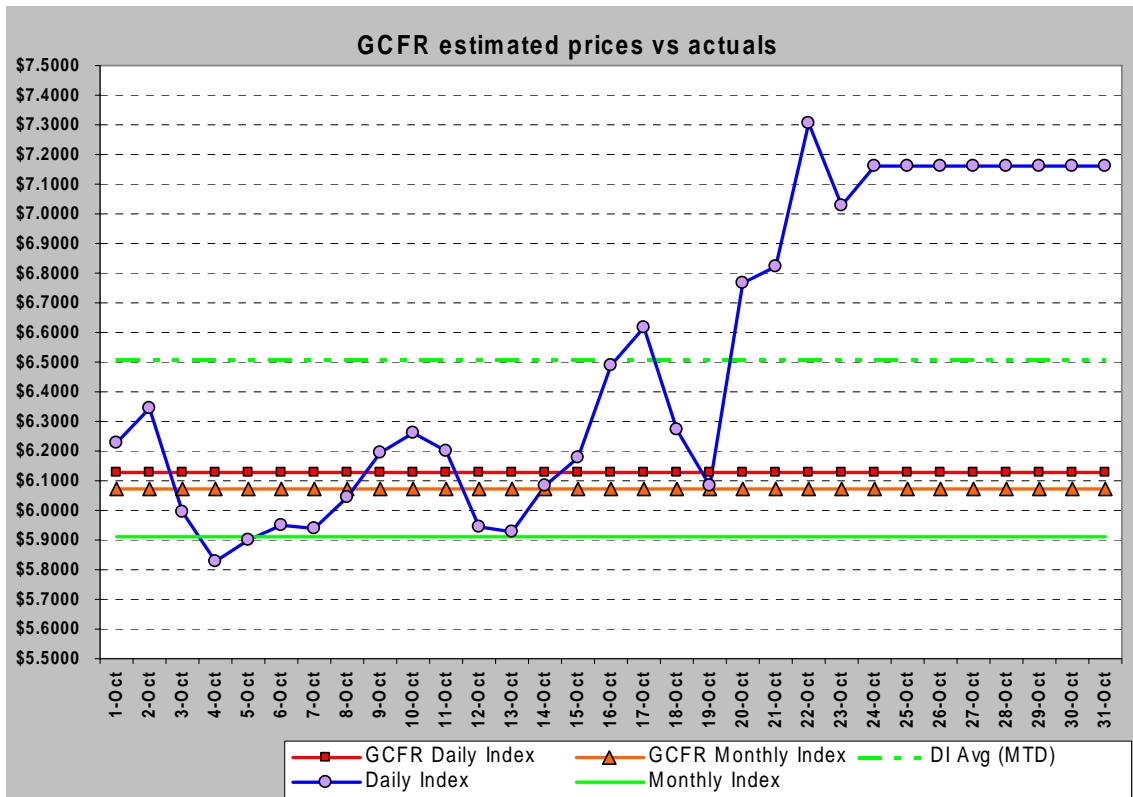


Table 6 – Price Comparison (October)

	October GCFR	Actual	Difference
MI	\$6.0719	\$5.9105	(\$0.161)
DI Average	\$6.1255	\$6.5059	\$0.380

Figure 6 shows the difference in the actual daily and monthly index prices and the forecast daily and monthly prices that were included in the October GCFR. Figure 7 below shows the actual temperature during the month of October for Calgary.

Figure 7 – Daily Weather Data Calgary

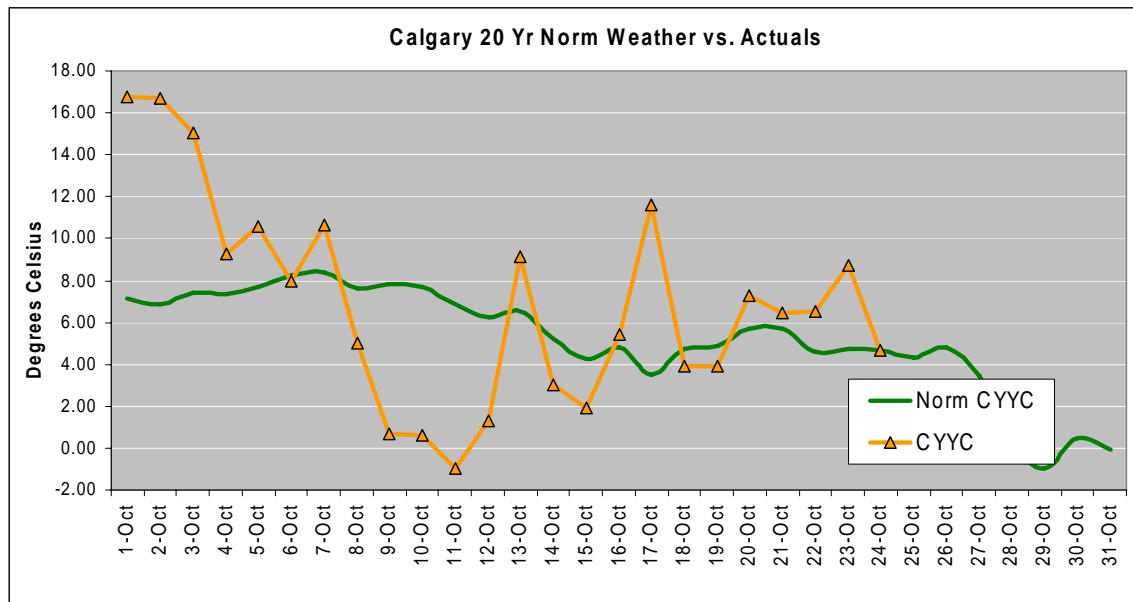


Figure 8 – South Supply Purchases (TJ)

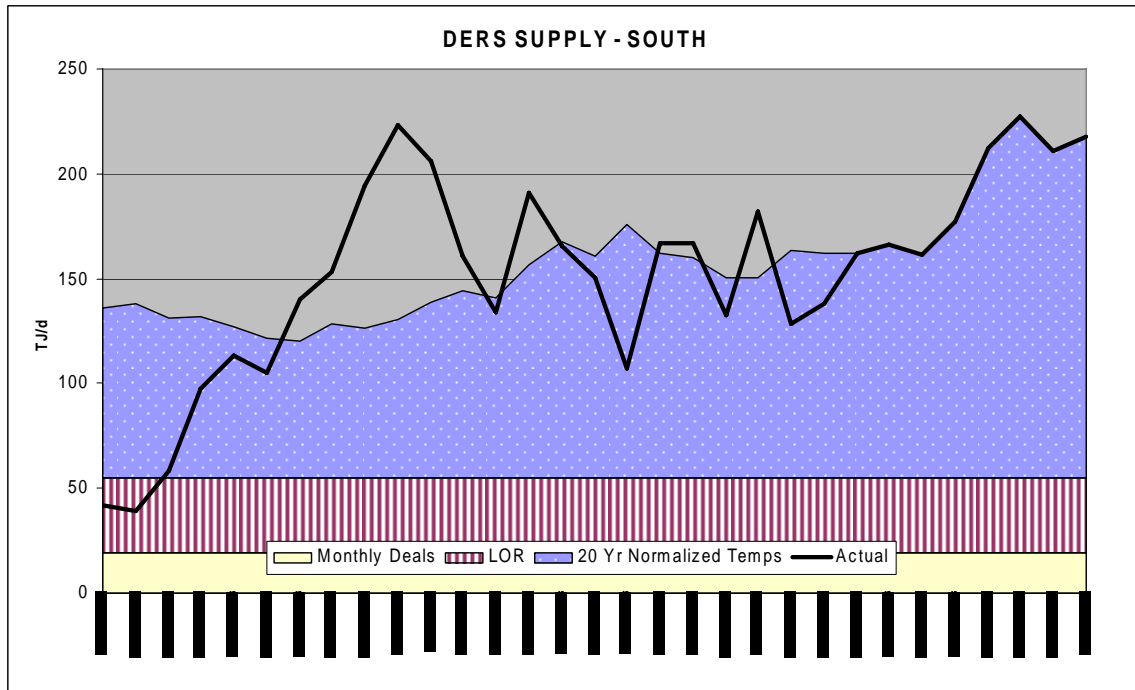
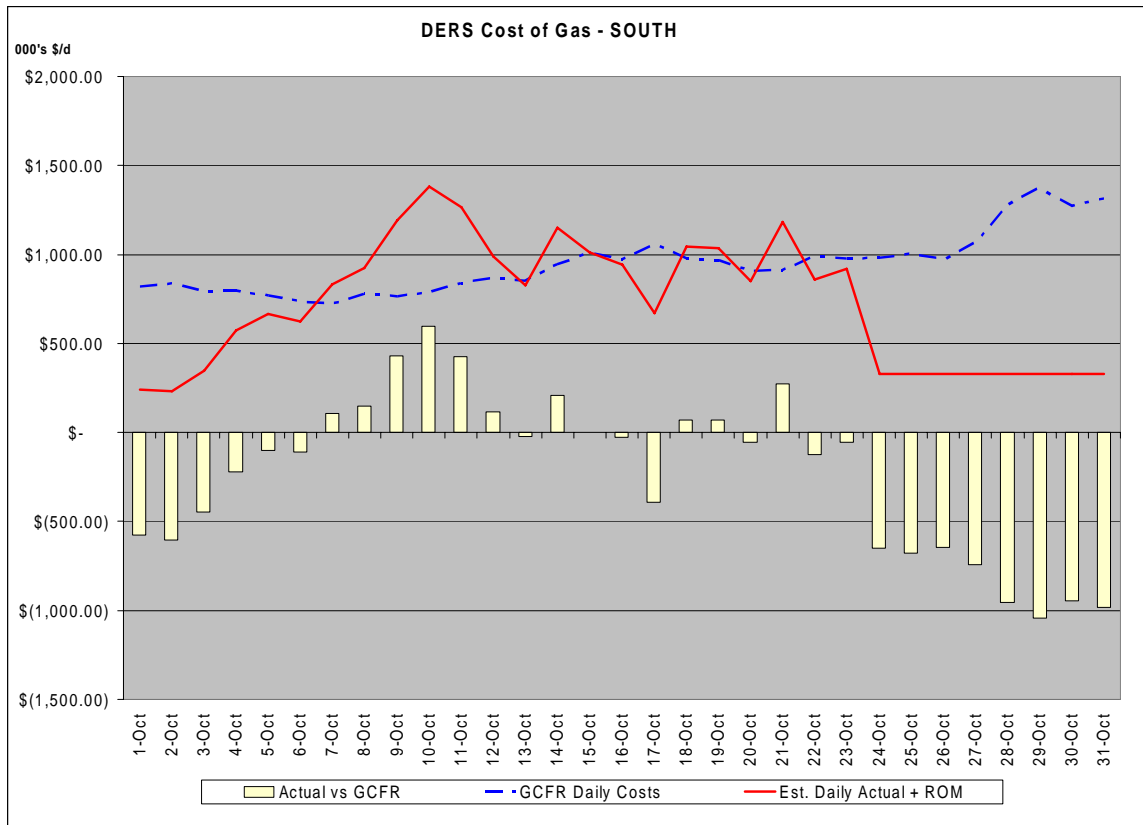


Table 7 – October Supply Purchases (TJ)

Totals (TJ)		Schedule Reference
Monthly	589	
Life of Reserve	1,122	
20 yr normal	3,099	
Actual	(183)	
Core and LB	54	
Total (November GCFR)	4,662	November GCFR(M-2 column C (Line 1 minus Line 9))
October GCFR	4,800	October GCFR (M-2 column D (line 1))
Difference	(138)	November GCFR line minus October GCFR line

Figure 9 – South Purchases (\$'000)



Please note that the estimated actuals for the current month is a "net" estimate. This number is the sum of current month purchases excess system sales.

Table 8 – October Purchases (\$'000)

Purchases Total (\$'000)		Schedule References
October GCFR Forecast	\$29,308	October GCFR (M-1 Column E (line 2 minus line 16))
November GCFR Forecast	\$29,717	November GCFR (M-1 Column D (line 2 minus line 16))
Difference	(\$409)	October GCFR line minus November GCFR line

Figure 10 - South Calendar Sales (\$'000)

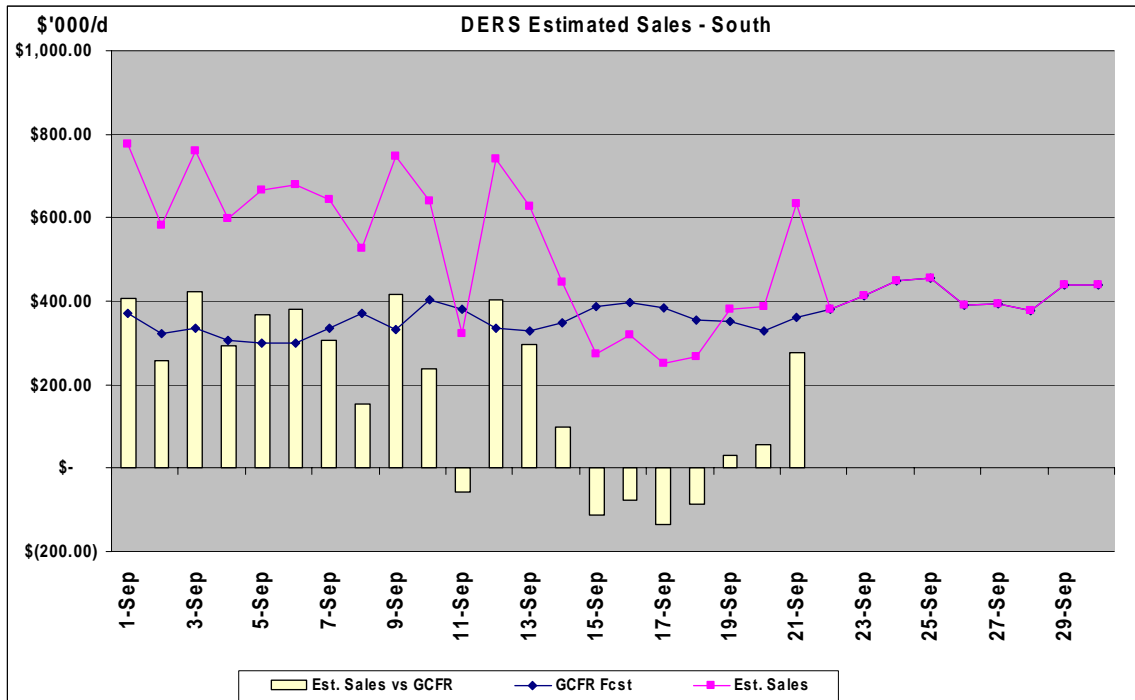


Table 9 – October Sales (\$'000)

Sales Total (\$'000)		Schedule References
October GCFR Forecast	\$27,901	October GCFR (M-1 Column E (line 14))
November GCFR Forecast	\$27,121	November GCFR (M-1 Column D (line 14))
Difference	\$780	October GCFR line minus November GCFR line

The chart below shows the cost of gas and calendar sales for the month of October as reported in the October and November GCFR.

Table 10 – Variance in the October and November GCFR for October Calendar Month Purchases and Sales (\$'000)

	October GCFR	November GCFR	Table References
Sales	\$27,901	\$27,121	Table 9
Purchases	\$29,308	\$29,717	Table 8
Difference	(\$1,407)	(\$2,596)	Sales minus Purchases

Note: The data shown in Figures 6 through 9 have been taken as of October 27<sup>th</sup>, and represents information available to DERS at the time. Numbers may be slightly off as a result of rounding differences.

## Prior Period Adjustments

### Sales (Schedule M-1 line 14)

DERS has included a \$142,407 credit as a prior period adjustment relating to calendar sales. This prior period adjustment relates to billing adjustments (cancel/re-bills) for customer billings from October 2006 to July 2008 consumption period. Billing adjustments take the form of initial charges, revised charges and the time period in which the adjustment relates to as part of regular monthly reporting. The dollars and volumes for this adjustment are detailed by month below.

#### South

	\$	Volumes Gj
Prior to October 2007	\$3,158.27	483.19
October	\$987.66	183.38
November 2007	\$2,311.39	446.13
December 2007	\$4,315.66	701.74
Jan-08	\$5,874.66	893.02
Feb-08	\$7,051.55	919.22
Mar-08	\$8,664.87	897.22
Apr-08	\$5,779.60	747.54
May-08	(\$3,326.59)	(371.34)
June-08	(\$1,656.82)	(123.03)
July-08	\$109,246.52	18,010.21
<b>Total Prior Period</b>	<b>\$142,406.77</b>	<b>22,787.28</b>

## Changes to DERS Credit Charges November 2008

Direct Energy Marketing Limited has recently engaged in annual re-negotiations respecting its credit facilities used to support the procurement activities in Canada. The result of these re-negotiations is a change in the cost for the letter of credit posted with NGX.

Since May 2004, DERS has continued to actively manage the credit costs as directed in Decision 2003-106 as shown in the following table.

DERS Gas NGX LOC charge						
Month	Amount \$	LOC Annual bps		Month	Amount \$	LOC Annual bps
Jun-04	75,000,000	55		Jan-07	50,000,000	37.5
Jul-04	30,000,000	55		Feb-07	50,000,000	37.5
Aug-04	30,000,000	55		Mar-07	50,000,000	37.5
Sep-04	30,000,000	55		Apr-07	40,000,000	37.5
Oct-04	70,000,000	55		May-07	40,000,000	37.5
Nov-04	70,000,000	55		Jun-07	25,000,000	37.5
Dec-04	120,000,000	55		Jul-07	15,000,000	37.5
Jan-05	120,000,000	55		Aug-07	15,000,000	37.5
Feb-05	75,000,000	55		Sep-07	15,000,000	37.5
Mar-05	75,000,000	55		Oct-07	15,000,000	37.5
Apr-05	30,000,000	47.5		Nov-07	25,000,000	37.5
May-05	30,000,000	47.5		Dec-07	35,000,000	37.5
Jun-05	15,000,000	47.5		Jan-08	45,000,000	37.5
Jul-05	15,000,000	47.5		Feb-08	55,000,000	37.5
Aug-05	15,000,000	47.5		Mar-08	35,000,000	37.5
Sep-05	30,000,000	47.5		Apr-08	30,000,000	37.5
Oct-05	50,000,000	47.5		May-08	40,000,000	37.5
Nov-05	120,000,000	47.5		Jun-08	20,000,000	37.5
Dec-05	170,000,000	47.5		Jul-08	20,000,000	37.5
Jan-06	170,000,000	47.5		Aug-08	20,000,000	37.5
Feb-06	80,000,000	47.5		Sep-08	20,000,000	37.5
Mar-06	80,000,000	47.5		Oct-08	20,000,000	37.5
Apr-06	50,000,000	47.5		Nov-08	20,000,000	60
May-06	50,000,000	37.5				
Jun-06	40,000,000	37.5				
Jul-06	30,000,000	37.5				
Aug-06	30,000,000	37.5				
Sep-06	30,000,000	37.5				
Oct-06	30,000,000	37.5				
Nov-06	50,000,000	37.5				
Dec-06	80,000,000	37.5				

Effective November 1, 2008 the Letter of Credit costs for NGX has changed from 37.5 basis points per year to 60 basis points. No changes have been made to the Parental Guarantee costs of 40 basis points.

Due to the current turmoil in the global credit market, DERS has also changed the structure of the credit facility in place and has established a committed credit facility. DERS submits that this committed credit facility is appropriate and required to insure that DERS would be guaranteed access to credit in order to meet its obligation to serve the regulated customer base. The committed facility has two parts, one which is the utilized portion which is charged at the 60 basis

points and the other is the unutilized portion which is charged at 20 basis points. The resulting credit costs from this facility are shown below.

	Credit Facility Amount	LOC Annual bps	est. monthly NGX LOC credit costs
Committed Facility Limit	\$40,000,000		
Utilized LC limit posted with NGX	\$30,000,000	60	\$15,000
Unutilized portion of Facility	\$10,000,000	20	\$1,667
<b>Total NGX LOC Credit Costs</b>			<b>\$16,667</b>

\*note – Credit Facility Amounts subject to change

DERS would like to note that in Decision 2003-106 DERS received approval for a forecast Letter of Credit rate of 62.5 basis points. While DERS has actively managed its credit costs over the years, the current credit environment has led to higher actual costs which must be flowed through to customers on an actual basis. DERS will continue to work under the framework and directions set out in Decision 2003-106 and will continue to look at ways to effectively manage credit costs.