

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 \$2.004/GJ for Direct Energy Regulated Services (DERS) gas customers for December 2018.

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As Applicable

SECTION 1
DGA COST AND RECOVERY

SCHEDULE M-1
MONTHLY DGA COSTS AND RECOVERIES

Line	Description	Units	A	B	C	D	E
			Previous Period Adjustment	Actual Sep-18	Estimate Oct-18	Estimate Nov-18	Forecast Dec-18
1	Opening Cumulative DGA Balance	\$,000	(334)	(266)	(855)	(2,682)	1,571
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	8,234	12,180	22,615	33,536
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	8,234	12,180	22,615	33,536
<u>Adjustments</u>							
6	Adjustments For Interim Rates	\$,000	0	0	0	0	0
7	Procurement	\$,000	0	39	30	30	30
8	Net Gas Costs	\$,000	0	8,273	12,210	22,646	33,567
<u>Recoveries</u>							
9	Net Calendar Sales*	\$,000	68	7,562	10,158	26,671	31,995
10	Excess System Sales	\$,000	0	123	225	227	0
11	Total Recoveries	\$,000	68	7,685	10,383	26,898	31,995
12	Current DGA Balance	\$,000	68	(588)	(1,827)	4,253	(1,571)
13	Closing Cumulative DGA Balance	\$,000	(266)	(855)	(2,682)	1,571	(0)

* Net Calendar Sales excludes return margin amounts.

SCHEDULE M-2
MONTHLY DGA ENERGY BALANCE

Line	Description	Units	A	B	C	D
			Actual Sep-18	Estimate Oct-18	Estimate Nov-18	Forecast Dec-18
<u>Gas Supply Costs</u>						
1	Purchases	TJ	5,817	8,115	11,754	16,542
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	5,817	8,115	11,754	16,542
<u>Recoveries</u>						
4	Net Calendar Sales	TJ	5,987	8,018	11,526	16,415
5	Excess System Sales	TJ	97	119	138	0
6	Total Recoveries	TJ	6,084	8,136	11,665	16,415
7	Load Balancing / UFG Estimate	TJ	267	22	(89)	(127)

SPECIAL NOTES:

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for September 2018 as of August 27, 2018 and November 26, 2018 respectively. Schedule R-2 shows the forecast and actual DGA energy balance for September 2018 as of August 27, 2018 and November 26, 2018. It also shows the normal and actual degree days for September 2018.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES
September 2018

Line	Description	Units	Forecast August 27, 2018	Actual November 26, 2018	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	4,584	8,234	3,650
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	4,584	8,234	3,650
<u>Adjustments</u>					
5	Adjustments For Interim Rates	\$,000	0	0	0
6	Procurement	\$,000	39	39	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	4,623	8,273	3,650
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	4,683	7,562	2,878
12	Excess System Sales	\$,000	0	123	123
13	Penalty Revenue	\$,000	0	0	0
14	Total Recoveries	\$,000	4,683	7,685	3,001

* Net Calendar Sales excludes return margin amounts.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
September 2018

Line	Description	Units	Forecast August 27, 2018	Actual November 26, 2018	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	3,742	5,817	2,076
2	Imbalances	TJ	0	0	0
3	Total Energy	TJ	3,742	5,817	2,076
<u>Recoveries</u>					
4	Calendar Sales	TJ	3,708	5,987	2,279
5	Excess System Sales	TJ	0	97	97
6	Total Recoveries	TJ	3,708	6,084	2,375
7	DGA UFG	TJ	(33)	267	300
8	Degree Days	DD	209	228	19

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-3 shows the actual gas purchases for DGA NOVA Field Receipts and DGA Nova Inventory Transfer supplies for September 2018 as of November 26, 2018.

SCHEDULE R-3
ACTUAL GAS PURCHASES
September 2018
Actual - As of November 26, 2018

Line	Description	TJ	\$/GJ	\$,000
1	Nova Inventory Transfer Supplies (Monthly)	1,500	1.070	1,604
2	Nova Inventory Transfer Supplies (Daily Index)	4,317	1.536	6,630
3	Total Gas Purchases	5,817	1.415	8,234

Schedule R-4 shows the forecast and actual unit gas prices for September 2018 as of August 27, 2018 and November 26, 2018 respectively.

SCHEDULE R-4
FORECAST AND ACTUAL UNIT GAS PRICES
September 2018

Line	Description	Units	Forecast August 27, 2018	Actual November 26, 2018	Actual Less Forecast
1	AECO Monthly Index	\$/GJ	1.2816	1.0650	(0.2166)
2	AECO Daily Index	\$/GJ	1.1813	1.3169	0.1356

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including August 24, 2018 on the AECO/NGX Intra-Alberta September (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 August 31, 2018 on the AECO/NGX Intra-Alberta September (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the September, AECO/NGX Intra-Alberta Settlement prices on August 20, 21, 22, 23 & 24, 2018.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in September 2018 as reported by NGX and includes all weekend deals.

SECTION 2
RECONCILIATION MONTH SCHEDULES

The R5-R8 schedules show the actual day gas sales and purchases for the reconciliation month as at the filing date. Short term transaction totals in schedules R5 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 R5 - Actual Spot Gas Purchases by Trade Day
September 2018
Direct Energy Regulated Services
Nova Inventory Transfer Supplies

Day	Yesterday (YD)			AECO YD Daily Avg (\$/GJ)	Same Day (SD)					AECO Daily Index (\$/GJ)
	GJs	Avg Cost (\$/GJ)	Total Cost (\$)		Fixed (GJs)	Avg Cost (\$/GJ)	Index Related (GJs)	Avg Cost (\$/GJ)	Total Cost (\$)	
1	0	0.0000	0.00	0.6794	8,000	0.8769	42,000	0.6194	33,030.20	0.8076
2	0	0.0000	0.00	1.2137	3,500	0.6071	40,000	0.6098	26,517.00	0.7285
3	400	1.1500	460.00	1.2416	1,000	0.2000	60,000	0.8401	50,604.00	1.3006
4	11,800	1.3719	16,189.00	1.3404	0	0.0000	70,000	1.0610	74,270.00	1.0610
5	(100)	1.0500	(105.00)	1.0310	0	0.0000	50,000	1.1038	55,190.00	1.1038
6	0	0.0000	0.00	0.4947	0	0.0000	25,000	0.9728	24,320.00	0.9728
7	(1,200)	0.6000	(720.00)	0.8405	0	0.0000	10,000	0.3115	(985.00)	0.4180
8	0	0.0000	0.00	1.1220	40,000	0.4000	(10,000)	1.3919	2,081.00	0.8517
9	0	0.0000	0.00	1.2187	45,000	0.4722	25,000	0.7435	39,837.50	1.0315
10	7,200	1.0869	7,826.00	1.0966	20,000	0.4550	53,000	1.1680	71,004.00	1.1680
11	5,000	1.3274	6,637.00	1.3515	7,000	0.8500	79,000	0.9288	79,322.60	0.9288
12	38,200	1.5425	58,923.50	1.5068	45,000	1.3300	120,000	1.3388	220,510.50	1.3384
13	8,100	1.5660	12,685.00	1.6458	41,200	1.3771	180,000	1.4030	309,271.00	1.4030
14	0	0.0000	0.00	1.8551	54,600	1.5590	160,000	1.5406	331,622.00	1.7058
15	(1,500)	1.3900	(2,085.00)	1.3004	44,500	1.4479	160,000	1.5323	309,592.00	1.6388
16	(9,500)	0.9000	(8,550.00)	0.9876	44,500	1.4479	160,000	1.4732	300,142.00	1.1663
17	(8,700)	0.9787	(8,515.00)	0.9817	15,000	1.0367	160,000	0.9941	174,609.00	0.9943
18	0	0.0000	0.00	1.3807	7,500	0.9700	150,000	1.0059	158,165.00	1.0052
19	0	0.0000	0.00	1.3294	0	0.0000	130,000	1.4443	187,759.00	1.4443
20	0	0.0000	0.00	1.4192	0	0.0000	164,600	1.3432	221,082.80	1.3430
21	0	0.0000	0.00	1.5854	10,000	1.4100	205,200	1.3828	297,850.84	1.4048
22	0	0.0000	0.00	1.5488	35,000	1.6021	210,200	1.4299	356,644.84	1.6007
23	(400)	1.5400	(616.00)	1.5301	0	0.0000	180,200	1.4033	252,882.84	1.6174
24	(9,200)	1.9382	(17,831.50)	1.9517	0	0.0000	147,500	1.6047	236,698.50	1.6046
25	(8,000)	1.8900	(15,120.00)	2.0035	0	0.0000	92,000	1.8292	168,283.80	1.8289
26	5,600	2.4796	13,886.00	2.4168	25,000	2.0800	105,000	2.0562	267,901.00	2.0562
27	0	0.0000	0.00	2.2102	42,000	2.3658	173,000	2.3252	501,631.10	2.3232
28	(3,100)	2.4500	(7,595.00)	2.5944	2,500	2.3100	225,000	2.2522	512,519.70	2.2988
29	15,000	2.2500	33,750.00	2.2461	0	0.0000	242,500	2.2526	546,244.10	2.4118
30	3,000	2.1300	6,390.00	2.1834	0	0.0000	267,500	2.2442	600,332.91	2.1925
31	0	0.0000	0.00	0.0000	0	0.0000	0	0.0000	0.00	0.0000
TOTAL	52,600		95,609.00		491,300		3,676,700		6,408,934.23	

Schedule R6 - Actual Spot Gas Purchases by Delivery Day
September 2018
PEAKING Demand Supply Contracts
Nova Inventory Transfer Supplies

Day	Same Day (SD)			AECO Daily Index (\$/GJ)
	Index Related (GJs)	Avg Cost (\$/GJ)	Total Cost (\$)	
1	0	0.0000	0	0.8076
2	0	0.0000	0	0.7285
3	0	0.0000	0	1.3006
4	0	0.0000	0	1.0610
5	0	0.0000	0	1.1038
6	0	0.0000	0	0.9728
7	0	0.0000	0	0.4180
8	0	0.0000	0	0.8517
9	0	0.0000	0	1.0315
10	0	0.0000	0	1.1680
11	0	0.0000	0	0.9288
12	0	0.0000	0	1.3384
13	0	0.0000	0	1.4030
14	0	0.0000	0	1.7058
15	0	0.0000	0	1.6388
16	0	0.0000	0	1.1663
17	0	0.0000	0	0.9943
18	0	0.0000	0	1.0052
19	0	0.0000	0	1.4443
20	0	0.0000	0	1.3430
21	0	0.0000	0	1.4048
22	0	0.0000	0	1.6007
23	0	0.0000	0	1.6174
24	0	0.0000	0	1.6046
25	0	0.0000	0	1.8289
26	0	0.0000	0	2.0562
27	0	0.0000	0	2.3232
28	0	0.0000	0	2.2988
29	0	0.0000	0	2.4118
30	0	0.0000	0	2.1925
31	0	0.0000	0	0.0000
TOTAL	0		0	

Schedule R7- Monthly Index Purchases
September 2018
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>Total Cost (\$)</u>
4515957	11/1/2017	11/1/2018	300,000	1.068	320,400
4544158	11/1/2017	11/1/2018	300,000	1.070	321,000
5971490	9/1/2018	10/1/2018	300,000	1.070	321,000
5971491	9/1/2018	10/1/2018	300,000	1.070	321,000
5971602	9/1/2018	10/1/2018	300,000	1.070	321,000
Total Term and Monthly Index Purchases			1,500,000	1.070	1,604,400

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for December 2018.

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 December 2018.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for December 2018.

Schedule F-1 shows the forecast of gas purchases for December 2018 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
December 2018

Line	Description	Unit	Forecast November 26, 2018
1	AECO Monthly Index	TJ	9,317
2	AECO Daily Index	TJ	7,225
3	Other	TJ	127
4	Total	TJ	16,668

Schedule F-2 shows the forecast of the unit gas prices for December 2018.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
December 2018

Line	Description	Unit	Forecast November 26, 2018
1	AECO Monthly Index	\$/GJ	2.2140
2	AECO Daily Index	\$/GJ	1.7868

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including November 21, 2018 on the AECO/NGX Intra-Alberta December (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the December, AECO/NGX Intra-Alberta Settlement prices on November 15, 16, 19, 20 & 21, 2018.

SECTION 3
FORECAST MONTH SCHEDULES

In order to zero the forecast balance of the DGA on December 31, 2018, a Rider F of \$2.004/GJ should be implemented on December 01, 2018. Schedule F-3 shows how this rate is calculated.

SCHEDULE F-3
RIDER F RATE DERIVATION

Line	Description	Unit	Reference	Value
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	1,571
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	33,567
3	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	31,995
4	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	16,415
5	GCFR	\$/GJ	Line 3 divided by Line 4	1.949
6	Approved Energy Related Charges	\$/GJ	Decision 23748-D01-2018	0.010
7	Approved Return Margin	\$/GJ	Decision 23748-D01-2018	0.045
8	Rider F	\$/GJ	Line 5 + Line 6 + Line 7	2.004