

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 \$1.515/GJ for Direct Energy Regulated Services (DERS) gas customers for January 2019.

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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 Oct-18	Estimate Nov-18	Estimate Dec-18	Forecast Jan-19
1	Opening Cumulative DGA Balance	\$,000	(855)	(840)	(2,796)	1,839	1,153
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	12,180	21,818	27,034	25,460
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	12,180	21,818	27,034	25,460
<u>Adjustments</u>							
6	Adjustments For Interim Rates	\$,000	0	0	0	0	0
7	Procurement	\$,000	0	30	30	30	30
8	Net Gas Costs	\$,000	0	12,210	21,849	27,064	25,491
<u>Recoveries</u>							
9	Net Calendar Sales*	\$,000	15	10,030	26,215	26,280	24,337
10	Excess System Sales	\$,000	0	224	268	98	0
11	Total Recoveries	\$,000	15	10,254	26,483	26,378	24,337
12	Current DGA Balance	\$,000	15	(1,956)	4,635	(686)	(1,153)
13	Closing Cumulative DGA Balance	\$,000	(840)	(2,796)	1,839	1,153	0

* Net Calendar Sales excludes return margin amounts.

SCHEDULE M-2
MONTHLY DGA ENERGY BALANCE

Line	Description	Units	A	B	C	D
			Actual Oct-18	Estimate Nov-18	Estimate Dec-18	Forecast Jan-19
<u>Gas Supply Costs</u>						
1	Purchases	TJ	8,115	11,595	13,682	16,798
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	8,115	11,595	13,682	16,798
<u>Recoveries</u>						
4	Net Calendar Sales	TJ	7,916	11,329	13,484	16,670
5	Excess System Sales	TJ	119	195	95	0
6	Total Recoveries	TJ	8,035	11,524	13,578	16,670
7	Load Balancing / UFG Estimate	TJ	(79)	(71)	(104)	(129)

SPECIAL NOTES:

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for October 2018 as of September 24, 2018 and December 17, 2018 respectively. Schedule R-2 shows the forecast and actual DGA energy balance for October 2018 as of September 24, 2018 and December 17, 2018. It also shows the normal and actual degree days for October 2018.

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

Line	Description	Units	Forecast September 24, 2018	Actual December 17, 2018	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	9,310	12,180	2,869
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	9,310	12,180	2,869
<u>Adjustments</u>					
5	Adjustments For Interim Rates	\$,000	0	0	0
6	Procurement	\$,000	30	30	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	9,341	12,210	2,869
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	9,574	10,030	457
12	Excess System Sales	\$,000	0	224	224
13	Penalty Revenue	\$,000	0	0	0
14	Total Recoveries	\$,000	9,574	10,254	681

* Net Calendar Sales excludes return margin amounts.

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

Line	Description	Units	Forecast September 24, 2018	Actual December 17, 2018	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	7,622	8,115	493
2	Imbalances	TJ	0	0	0
3	Total Energy	TJ	7,622	8,115	493
<u>Recoveries</u>					
4	Calendar Sales	TJ	7,554	7,916	362
5	Excess System Sales	TJ	0	119	119
6	Total Recoveries	TJ	7,554	8,035	481
7	DGA UFG	TJ	(68)	(79)	(12)
8	Degree Days	DD	632	618	(14)

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 October 2018 as of December 17, 2018.

SCHEDULE R-3
ACTUAL GAS PURCHASES
October 2018
Actual - As of December 17, 2018

Line	Description	TJ	\$/GJ	\$,000
1	Nova Inventory Transfer Supplies (Monthly)	4,340	1.357	5,887
2	Nova Inventory Transfer Supplies (Daily Index)	3,775	1.667	6,292
3	Total Gas Purchases	8,115	1.501	12,180

Schedule R-4 shows the forecast and actual unit gas prices for October 2018 as of September 24, 2018 and December 17, 2018 respectively.

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

Line	Description	Units	Forecast September 24, 2018	Actual December 17, 2018	Actual Less Forecast
1	AECO Monthly Index	\$/GJ	1.2135	1.3540	0.1405
2	AECO Daily Index	\$/GJ	1.2323	1.4129	0.1806

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including September 21, 2018 on the AECO/NGX Intra-Alberta October (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 September 30, 2018 on the AECO/NGX Intra-Alberta October (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the October, AECO/NGX Intra-Alberta Settlement prices on September 17, 18, 19, 20 & 21, 2018.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in October 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
October 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	3.7177	21,000	2.2031	165,100	2.2470	417,247.67	2.2462
2	0	0.0000	0.00	2.3226	78,500	2.5943	135,000	2.5485	547,698.00	2.5448
3	0	0.0000	0.00	2.5940	44,000	2.4409	135,000	2.4124	433,074.00	2.4124
4	(4,000)	2.6400	(10,560.00)	2.6037	20,000	2.6225	169,200	2.5828	489,452.05	2.5814
5	(20,000)	2.0880	(41,760.00)	2.0914	0	0.0000	155,000	2.5067	388,544.50	2.5514
6	(12,000)	1.9938	(23,925.00)	1.9724	(19,800)	2.1478	155,000	2.4948	344,164.00	2.1805
7	0	0.0000	0.00	2.2833	(15,500)	2.0255	140,000	2.5386	324,010.50	2.0382
8	15,500	2.6068	40,405.00	2.6103	15,000	2.1333	186,400	2.4799	494,249.06	2.3753
9	0	0.0000	0.00	2.5075	35,100	2.6127	208,000	2.5965	631,783.30	2.5956
10	0	0.0000	0.00	1.9472	22,000	1.6300	191,000	2.0711	431,444.20	2.0712
11	0	0.0000	0.00	1.2675	7,000	1.7514	135,000	1.7884	253,691.00	1.7881
12	3,500	2.3957	8,385.00	2.0473	(10,000)	0.5000	145,000	1.0700	150,156.50	0.7857
13	0	0.0000	0.00	3.4421	65,000	1.6420	135,000	1.8258	353,216.50	2.4161
14	(8,400)	3.7857	(31,800.00)	4.6123	25,500	2.6892	88,700	1.7584	224,549.17	2.6841
15	(3,500)	0.8000	(2,800.00)	0.8654	0	0.0000	45,000	2.6931	121,187.50	2.6915
16	(6,000)	0.5108	(3,065.00)	0.4711	0	0.0000	30,000	0.7460	22,380.00	0.7460
17	(2,100)	0.1476	(310.00)	0.0910	0	0.0000	0	0.0000	0.00	0.4077
18	0	0.0000	0.00	(0.2596)	0	0.0000	35,000	0.1141	3,993.50	0.1141
19	15,000	0.9167	13,750.00	1.0543	10,000	(0.1100)	35,000	(0.1884)	(7,694.00)	(0.2592)
20	10,000	0.0000	0.00	(0.0176)	10,000	(0.1100)	35,000	(0.1884)	(7,694.00)	0.8710
21	0	0.0000	0.00	0.8284	10,000	(0.1100)	85,000	(0.0936)	(9,054.00)	(0.0272)
22	11,300	1.1500	12,995.00	0.8196	15,000	0.9600	75,000	0.9963	89,121.00	0.9964
23	0	0.0000	0.00	(0.7227)	8,000	0.1500	76,000	0.6754	52,528.40	0.6759
24	0	0.0000	0.00	0.8962	0	0.0000	70,000	(0.1777)	(12,441.00)	(0.1763)
25	0	0.0000	0.00	0.4604	0	0.0000	50,000	0.8226	41,130.00	0.8226
26	0	0.0000	0.00	1.2143	0	0.0000	70,000	0.3641	25,487.00	0.5480
27	5,500	0.5327	2,930.00	0.5858	15,000	0.3367	85,000	0.4108	39,972.00	0.7587
28	13,900	0.3547	4,931.00	0.4147	15,000	0.3367	85,000	0.3694	36,450.00	0.4065
29	1,000	0.5500	550.00	0.5711	15,000	0.3367	100,000	0.4210	47,154.50	0.4213
30	0	0.0000	0.00	0.7496	0	0.0000	121,000	0.6041	73,096.50	0.6045
31	0	0.0000	0.00	0.2526	0	0.0000	110,000	0.8234	90,575.00	0.8235
TOTAL	19,700		(30,274.00)		385,800		3,250,400		6,089,472.85	

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R6 - Actual Spot Gas Purchases by Delivery Day
October 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	2.2462
2	0	0.0000	0	2.5448
3	0	0.0000	0	2.4124
4	0	0.0000	0	2.5814
5	0	0.0000	0	2.5514
6	0	0.0000	0	2.1805
7	0	0.0000	0	2.0382
8	0	0.0000	0	2.3753
9	0	0.0000	0	2.5956
10	0	0.0000	0	2.0712
11	0	0.0000	0	1.7881
12	0	0.0000	0	0.7857
13	0	0.0000	0	2.4161
14	0	0.0000	0	2.6841
15	0	0.0000	0	2.6915
16	0	0.0000	0	0.7460
17	0	0.0000	0	0.4077
18	0	0.0000	0	0.1141
19	0	0.0000	0	(0.2592)
20	0	0.0000	0	0.8710
21	0	0.0000	0	(0.0272)
22	0	0.0000	0	0.9964
23	0	0.0000	0	0.6759
24	0	0.0000	0	(0.1763)
25	0	0.0000	0	0.8226
26	0	0.0000	0	0.5480
27	0	0.0000	0	0.7587
28	0	0.0000	0	0.4065
29	0	0.0000	0	0.4213
30	0	0.0000	0	0.6045
31	0	0.0000	0	0.8235
TOTAL	0		0	

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R7- Monthly Index Purchases
October 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	310,000	1.357	420,670
4544158	11/1/2017	11/1/2018	310,000	1.359	421,290
6270052	10/1/2018	11/1/2018	310,000	1.357	420,515
6346237	10/1/2018	11/1/2018	620,000	1.357	841,030
6346239	10/1/2018	11/1/2018	930,000	1.357	1,261,545
6380389	10/1/2018	11/1/2018	310,000	1.354	419,740
6270053	10/1/2018	11/1/2018	930,000	1.357	1,261,545
6270054	10/1/2018	11/1/2018	620,000	1.357	841,030
Total Term and Monthly Index Purchases			4,340,000	1.357	5,887,365

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for January 2019.

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 January 2019.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for January 2019.

Schedule F-1 shows the forecast of gas purchases for January 2019 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
January 2019

Line	Description	Unit	Forecast December 17, 2018
1	AECO Monthly Index	TJ	9,807
2	AECO Daily Index	TJ	6,992
3	Other	TJ	129
4	Total	TJ	16,927

Schedule F-2 shows the forecast of the unit gas prices for January 2019.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
January 2019

Line	Description	Unit	Forecast December 17, 2018
1	AECO Monthly Index	\$/GJ	1.4915
2	AECO Daily Index	\$/GJ	1.5495

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including December 14, 2018 on the AECO/NGX Intra-Alberta January (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the January, AECO/NGX Intra-Alberta Settlement prices on December 10, 11, 12, 13 & 14, 2018.

SECTION 3
FORECAST MONTH SCHEDULES

In order to zero the forecast balance of the DGA on January 31, 2019, a Rider F of \$1.515/GJ should be implemented on January 01, 2019. 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	1,153
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	25,491
3	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	24,337
4	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	16,670
5	GCFR	\$/GJ	Line 3 divided by Line 4	1.460
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	1.515