

**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 \$1.990/GJ for Direct Energy Regulated Services (DERS) gas customers for February 2019.

## **1 - DGA COST AND RECOVERY OVERVIEW**

Schedule M-1: Monthly DGA Costs and Recoveries  
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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 Nov-18	Estimate Dec-18	Estimate Jan-19	Forecast Feb-19
1	Opening Cumulative DGA Balance	\$,000	(2,796)	(2,720)	1,913	1,024	(2,429)
<b><u>Gas Supply Costs</u></b>							
2	Purchases	\$,000	0	21,818	28,061	24,771	24,619
3	Daily Trade Averaging Adjustment	\$,000	0	0	0	0	0
4	Imbalances	\$,000	0	0	0	0	0
5	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>0</b>	<b>21,818</b>	<b>28,061</b>	<b>24,771</b>	<b>24,619</b>
<b><u>Adjustments</u></b>							
6	Adjustments For Interim Rates**	\$,000	0	0	0	0	741
7	Procurement**	\$,000	0	30	30	30	(157)
8	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>0</b>	<b>21,849</b>	<b>28,091</b>	<b>24,802</b>	<b>25,204</b>
<b><u>Recoveries</u></b>							
9	Net Calendar Sales*	\$,000	75	26,214	26,647	21,107	27,632
10	Excess System Sales	\$,000	0	268	555	242	0
11	<b>Total Recoveries</b>	<b>\$,000</b>	<b>75</b>	<b>26,482</b>	<b>27,202</b>	<b>21,349</b>	<b>27,632</b>
12	Current DGA Balance	\$,000	75	4,633	(889)	(3,452)	2,429
13	<b>Closing Cumulative DGA Balance</b>	<b>\$,000</b>	<b>(2,720)</b>	<b>1,913</b>	<b>1,024</b>	<b>(2,429)</b>	<b>0</b>

\* Net Calendar Sales excludes return margin amounts.

\*\*Decision 23986-D01-2018 applied to February 2019

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

Line	Description	Units	A	B	C	D
			Actual Nov-18	Estimate Dec-18	Estimate Jan-19	Forecast Feb-19
<b><u>Gas Supply Costs</u></b>						
1	Purchases	TJ	11,595	14,183	14,740	14,386
2	Imbalances	TJ	0	0	0	0
3	<b>Total Energy</b>	<b>TJ</b>	<b>11,595</b>	<b>14,183</b>	<b>14,740</b>	<b>14,386</b>
<b><u>Recoveries</u></b>						
4	Net Calendar Sales	TJ	11,328	13,672	14,457	14,276
5	Excess System Sales	TJ	195	304	172	0
6	<b>Total Recoveries</b>	<b>TJ</b>	<b>11,523</b>	<b>13,976</b>	<b>14,629</b>	<b>14,276</b>
7	<b>Load Balancing / UFG Estimate</b>	<b>TJ</b>	<b>(72)</b>	<b>(207)</b>	<b>(112)</b>	<b>(110)</b>

**SPECIAL NOTES:**

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

Schedule R-1 shows the forecast and actual DGA cost and recovery components for November 2018 as of October 25, 2018 and January 25, 2019 respectively. Schedule R-2 shows the forecast and actual DGA energy balance for November 2018 as of October 25, 2018 and January 25, 2019. It also shows the normal and actual degree days for November 2018.

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

Line	Description	Units	Forecast October 25, 2018	Actual January 25, 2019	Actual Less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	\$,000	24,639	21,818	(2,821)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	<b>Total Gas Supply Costs</b>	<b>\$,000</b>	<b>24,639</b>	<b>21,818</b>	<b>(2,821)</b>
<b><u>Adjustments</u></b>					
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	<b>Net Gas Costs</b>	<b>\$,000</b>	<b>24,669</b>	<b>21,849</b>	<b>(2,821)</b>
<b><u>Recoveries</u></b>					
11	Net Calendar Sales*	\$,000	28,145	26,214	(1,931)
12	Excess System Sales	\$,000	0	268	268
13	Penalty Revenue	\$,000	0	0	0
14	<b>Total Recoveries</b>	<b>\$,000</b>	<b>28,145</b>	<b>26,482</b>	<b>(1,663)</b>

\* Net Calendar Sales excludes return margin amounts.

**SCHEDULE R-2**  
**DGA ENERGY BALANCE & DEGREE DAYS**  
**November 2018**

Line	Description	Units	Forecast October 25, 2018	Actual January 25, 2019	Actual Less Forecast
<b><u>Gas Supply Costs</u></b>					
1	Purchases	TJ	12,272	11,595	(677)
2	Imbalances	TJ	0	0	0
3	<b>Total Energy</b>	<b>TJ</b>	<b>12,272</b>	<b>11,595</b>	<b>(677)</b>
<b><u>Recoveries</u></b>					
4	Calendar Sales	TJ	12,163	11,328	(834)
5	Excess System Sales	TJ	0	195	195
6	<b>Total Recoveries</b>	<b>TJ</b>	<b>12,163</b>	<b>11,523</b>	<b>(640)</b>
7	<b>DGA UFG</b>	<b>TJ</b>	<b>(109)</b>	<b>(72)</b>	<b>37</b>
8	Degree Days	DD	1,052	1,258	206

**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 November 2018 as of January 25, 2019.

**SCHEDULE R-3**  
**ACTUAL GAS PURCHASES**  
**November 2018**  
**Actual - As of January 25, 2019**

Line	Description	TJ	\$/GJ	\$,000
1	Nova Inventory Transfer Supplies (Monthly)	7,257	1.897	13,768
2	Nova Inventory Transfer Supplies (Daily Index)	4,338	1.856	8,050
<b>3</b>	<b>Total Gas Purchases</b>	<b>11,595</b>	<b>1.882</b>	<b>21,818</b>

Schedule R-4 shows the forecast and actual unit gas prices for November 2018 as of October 25, 2018 and January 25, 2019 respectively.

**SCHEDULE R-4**  
**FORECAST AND ACTUAL UNIT GAS PRICES**  
**November 2018**

Line	Description	Units	Forecast October 25, 2018	Actual January 25, 2019	Actual Less Forecast
1	AECO Monthly Index	\$/GJ	2.0511	1.8971	(0.1540)
2	AECO Daily Index	\$/GJ	1.9523	1.6890	(0.2633)

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including October 24, 2018 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, 2018 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, 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 November 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**  
**November 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	0.2325	0	0.0000	70,800	0.3253	23,031.24	0.3253
2	0	0.0000	0.00	(0.0034)	15,500	0.4895	77,800	0.4533	42,854.92	0.2260
3	(14,000)	0.0857	(1,200.00)	0.1971	10,000	0.5813	48,300	0.5924	34,425.42	(0.0075)
4	22,000	1.8886	41,550.00	1.6769	10,000	0.5813	58,300	0.5573	38,301.42	0.3876
5	10,000	2.8100	28,100.00	2.8518	54,000	2.3444	116,400	2.3091	395,376.20	2.3080
6	5,900	2.9558	17,439.00	3.0449	14,000	2.8143	193,800	2.8403	589,857.74	2.8373
7	11,700	3.1568	36,934.00	3.0893	15,000	3.3000	138,600	3.1145	481,164.20	3.1095
8	0	0.0000	0.00	2.8143	0	0.0000	174,800	3.0568	534,333.74	3.0538
9	0	0.0000	0.00	2.1333	5,000	2.8400	109,400	2.7864	319,032.16	2.7653
10	(17,600)	1.7701	(31,153.00)	1.6523	25,000	2.8260	129,400	2.7864	431,210.16	2.3166
11	0	0.0000	0.00	2.2763	55,000	2.7973	139,400	2.7427	536,176.16	2.1761
12	(8,700)	2.0293	(17,655.00)	2.1104	20,000	2.8225	89,400	2.4485	275,345.90	2.4485
13	0	0.0000	0.00	2.4078	0	0.0000	14,400	2.1250	30,600.00	2.1250
14	(3,100)	2.4700	(7,657.00)	2.5688	10,000	2.4850	19,500	2.4862	73,330.90	2.4862
15	(15,000)	2.2487	(33,730.00)	2.1493	0	0.0000	94,700	2.4602	232,983.59	2.4597
16	0	0.0000	0.00	1.7288	151,800	2.0735	111,300	1.8733	523,251.95	1.8925
17	8,500	1.9900	16,915.00	1.9190	65,000	1.8115	74,700	1.8172	253,496.45	1.8065
18	0	0.0000	0.00	1.4670	15,000	1.9067	54,700	1.7783	125,872.95	1.6912
19	0	0.0000	0.00	1.3827	0	0.0000	79,200	1.4018	111,022.56	1.4018
20	(15,000)	1.7000	(25,500.00)	1.6302	0	0.0000	63,700	1.4853	94,613.61	1.4853
21	0	0.0000	0.00	3.1700	10,000	2.0000	49,000	1.3336	85,345.10	1.6071
22	(16,600)	1.1331	(18,810.00)	1.0778	0	0.0000	114,100	1.2431	141,840.39	1.4428
23	0	0.0000	0.00	1.3576	0	0.0000	176,000	1.1775	207,233.40	0.7971
24	1,700	1.7371	2,953.00	1.5681	13,500	1.2667	174,000	1.2264	230,501.10	1.3700
25	0	0.0000	0.00	1.1528	5,000	1.2600	174,000	1.2402	222,098.10	1.5298
26	1,600	0.2675	428.00	0.2114	10,000	0.4450	111,300	0.9518	110,383.34	0.9518
27	0	0.0000	0.00	0.2812	5,000	0.1000	110,500	0.2428	27,327.55	0.2431
28	(8,000)	0.3563	(2,850.00)	0.3891	0	0.0000	117,700	0.3336	39,263.80	0.3339
29	(20,000)	0.6750	(13,500.00)	1.1199	0	0.0000	145,700	0.3995	58,205.79	0.3997
30	0	0.0000	0.00	0.4036	10,000	1.2000	150,100	1.5220	240,455.21	1.3532
31	0	0.0000	0.00	0.0000	0	0.0000	0	0.0000	0.00	0.0000
TOTAL	(56,600)		(7,736.00)		518,800		3,181,000		6,508,935.05	

**SECTION 2**  
**RECONCILIATION MONTH SCHEDULES**

**Schedule R6 - Actual Spot Gas Purchases by Delivery Day**  
**November 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	0.3253
2	0	0.0000	0	0.2260
3	0	0.0000	0	(0.0075)
4	0	0.0000	0	0.3876
5	50,000	2.3230	116,150	2.3080
6	50,000	2.8523	142,615	2.8373
7	100,000	3.1245	312,450	3.1095
8	100,000	3.0688	306,880	3.0538
9	0	0.0000	0	2.7653
10	0	0.0000	0	2.3166
11	0	0.0000	0	2.1761
12	0	0.0000	0	2.4485
13	0	0.0000	0	2.1250
14	0	0.0000	0	2.4862
15	50,000	2.4747	123,735	2.4597
16	50,000	1.8435	92,175	1.8925
17	50,000	1.8435	92,175	1.8065
18	50,000	1.8435	92,175	1.6912
19	0	0.0000	0	1.4018
20	0	0.0000	0	1.4853
21	0	0.0000	0	1.6071
22	0	0.0000	0	1.4428
23	0	0.0000	0	0.7971
24	0	0.0000	0	1.3700
25	0	0.0000	0	1.5298
26	0	0.0000	0	0.9518
27	0	0.0000	0	0.2431
28	0	0.0000	0	0.3339
29	0	0.0000	0	0.3997
30	0	0.0000	0	1.3532
31	0	0.0000	0	0.0000
<b>TOTAL</b>	<b>500,000</b>		<b>1,278,355</b>	

SECTION 2  
RECONCILIATION MONTH SCHEDULES

**Schedule R7- Monthly Index Purchases**  
**November 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>
6521146	11/1/2018	11/1/2019	300,000	1.901	570,330
6573628	11/1/2018	4/1/2019	300,000	1.901	570,330
6521145	11/1/2018	4/1/2019	600,000	1.901	1,140,660
6540938	11/1/2018	4/1/2019	600,000	1.901	1,140,660
6573629	11/1/2018	4/1/2019	300,000	1.900	570,030
6649496	11/1/2018	4/1/2019	600,000	1.901	1,140,660
6521144	11/1/2018	4/1/2019	600,000	1.901	1,140,660
6631185	11/1/2018	6/1/2019	300,000	1.877	563,130
6591347	11/1/2018	4/1/2019	300,000	1.867	560,130
6591346	11/1/2018	5/1/2019	300,000	1.877	563,130
7055133	11/1/2018	12/1/2018	300,000	1.897	569,130
7055132	11/1/2018	12/1/2018	300,000	1.897	569,130
7055131	11/1/2018	12/1/2018	300,000	1.897	569,130
6630753	11/1/2018	12/1/2018	300,000	1.901	570,330
6630900	11/1/2018	12/1/2018	300,000	1.901	570,330
6650029	11/1/2018	12/1/2018	600,000	1.901	1,140,660
6704975	11/1/2018	12/1/2018	57,000	1.902	108,420
6630754	11/1/2018	12/1/2018	300,000	1.901	570,330
6650027	11/1/2018	12/1/2018	600,000	1.902	1,141,260
<b>Total Term and Monthly Index Purchases</b>			<b>7,257,000</b>	<b>1.897</b>	<b>13,768,440</b>



**SECTION 3**  
**FORECAST MONTH SCHEDULES**

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

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

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

<b>Line</b>	<b>Description</b>	<b>Unit</b>	<b>Forecast January 25, 2019</b>
1	AECO Monthly Index	TJ	9,152
2	AECO Daily Index	TJ	5,234
3	Other	TJ	110
<b>4</b>	<b>Total</b>	<b>TJ</b>	<b>14,496</b>

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

**SCHEDULE F-2**  
**FORECAST UNIT GAS PRICES**  
**February 2019**

<b>Line</b>	<b>Description</b>	<b>Unit</b>	<b>Forecast January 25, 2019</b>
1	AECO Monthly Index	\$/GJ	1.6777
2	AECO Daily Index	\$/GJ	1.7701

**Notes:**

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including January 24, 2019 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 17, 18, 22, 23 & 24, 2019.

**SECTION 3**  
**FORECAST MONTH SCHEDULES**

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In order to zero the forecast balance of the DGA on February 28, 2019, a Rider F of \$1.99/GJ should be implemented on February 01, 2019. Schedule F-3 shows how this rate is calculated.

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

<b>Line</b>	<b>Description</b>	<b>Unit</b>	<b>Reference</b>	<b>Value</b>
1	Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	-2,429
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	25,204
3	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	27,632
4	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	14,276
5	GCFR	\$/GJ	Line 3 divided by Line 4	1.936
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	<b>1.990</b>