

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 \$2.285/GJ for Direct Energy Regulated Services (DERS) gas customers for May 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 Feb-19	Estimate Mar-19	Estimate Apr-19	Forecast May-19
1	Opening Cumulative DGA Balance	\$,000	(2,251)	(1,967)	(17,966)	(15,056)	(4,756)
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	53,993	34,342	8,819	4,974
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	53,993	34,342	8,819	4,974
<u>Adjustments</u>							
6	Adjustments For Interim Rates**	\$,000	0	741	0	0	0
7	Procurement**	\$,000	0	(157)	30	30	30
8	Net Gas Costs	\$,000	0	54,577	34,372	8,849	5,005
<u>Recoveries</u>							
9	Net Calendar Sales*	\$,000	284	37,210	36,834	19,089	9,760
10	Excess System Sales	\$,000	0	1,369	448	60	0
11	Total Recoveries	\$,000	284	38,579	37,282	19,150	9,760
12	Current DGA Balance	\$,000	284	(15,998)	2,909	10,301	4,756
13	Closing Cumulative DGA Balance	\$,000	(1,967)	(17,966)	(15,056)	(4,756)	0

* 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 Feb-19	Estimate Mar-19	Estimate Apr-19	Forecast May-19
<u>Gas Supply Costs</u>						
1	Purchases	TJ	20,583	13,084	6,883	4,409
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	20,583	13,084	6,883	4,409
<u>Recoveries</u>						
4	Net Calendar Sales	TJ	19,230	11,787	6,731	4,376
5	Excess System Sales	TJ	405	240	100	0
6	Total Recoveries	TJ	19,635	12,026	6,831	4,376
7	Load Balancing / UFG Estimate	TJ	(947)	(1,057)	(52)	(34)

SPECIAL NOTES:

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for February 2019 as of January 25, 2019 and April 24, 2019 respectively. Schedule R-2 shows the forecast and actual DGA energy balance for February 2019 as of January 25, 2019 and April 24, 2019. It also shows the normal and actual degree days for February 2019.

SCHEDULE R-1
FORECAST & ACTUAL DGA COSTS AND RECOVERIES
February 2019

Line	Description	Units	Forecast January 25, 2019	Actual April 24, 2019	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	24,619	53,993	29,374
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	24,619	53,993	29,374
<u>Adjustments</u>					
5	Adjustments For Interim Rates	\$,000	741	741	0
6	Procurement	\$,000	(157)	(157)	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	25,204	54,577	29,374
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	27,632	37,210	9,577
12	Excess System Sales	\$,000	0	1,369	1,369
13	Penalty Revenue	\$,000	0	0	0
14	Total Recoveries	\$,000	27,632	38,579	10,947

* Net Calendar Sales excludes return margin amounts.

SCHEDULE R-2
DGA ENERGY BALANCE & DEGREE DAYS
February 2019

Line	Description	Units	Forecast January 25, 2019	Actual April 24, 2019	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	14,386	20,583	6,196
2	Imbalances	TJ	0	0	0
3	Total Energy	TJ	14,386	20,583	6,196
<u>Recoveries</u>					
4	Calendar Sales	TJ	14,276	19,230	4,954
5	Excess System Sales	TJ	0	405	405
6	Total Recoveries	TJ	14,276	19,635	5,359
7	DGA UFG	TJ	(110)	(947)	(837)
8	Degree Days	DD	1,210	1,945	735

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 February 2019 as of April 24, 2019.

SCHEDULE R-3
ACTUAL GAS PURCHASES
February 2019
Actual - As of April 24, 2019

Line	Description	TJ	\$/GJ	\$,000
1	Nova Inventory Transfer Supplies (Monthly)	7,406	1.853	13,721
2	Nova Inventory Transfer Supplies (Daily Index)	13,177	3.056	40,272
3	Total Gas Purchases	20,583	2.623	53,993

Schedule R-4 shows the forecast and actual unit gas prices for February 2019 as of January 25, 2019 and April 24, 2019 respectively.

SCHEDULE R-4
FORECAST AND ACTUAL UNIT GAS PRICES
February 2019

Line	Description	Units	Forecast January 25, 2019	Actual April 24, 2019	Actual Less Forecast
1	AECO Monthly Index	\$/GJ	1.6777	1.8525	0.1748
2	AECO Daily Index	\$/GJ	1.7701	3.1779	1.4078

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 actual unit price in Line 1 was the weighted average price of the transactions made up to and including January 31, 2019 on the AECO/NGX Intra-Alberta February (Near Month) instrument as reported by NGX.
3. 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.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in February 2019 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
February 2019
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	3.3136	(21,000)	2.1479	112,000	2.4926	234,068.90	2.3293
2	(15,200)	3.3401	(50,770.00)	3.4880	169,800	2.6116	119,000	2.4809	738,665.80	3.0313
3	(32,900)	10.9259	(359,462.50)	11.8750	160,000	2.6462	134,900	2.6693	783,480.53	3.6862
4	(6,000)	2.9467	(17,680.00)	3.0364	232,200	3.2398	115,000	4.0864	1,222,218.50	4.0727
5	(3,500)	2.0829	(7,290.00)	2.1632	67,000	3.3261	100,500	3.2091	545,361.55	3.2031
6	(1,500)	2.7950	(4,192.50)	2.8989	77,000	2.6585	122,500	2.6697	531,741.50	2.6654
7	(17,500)	2.8200	(49,350.00)	2.8839	55,100	3.1109	113,000	3.1076	522,574.50	3.1030
8	(20,000)	1.1508	(23,015.00)	1.8943	95,000	2.9776	164,000	2.9968	774,344.20	3.0056
9	(5,100)	2.9002	(14,791.00)	3.5322	135,000	2.9713	162,200	2.9738	883,469.06	2.9119
10	(3,100)	2.9935	(9,280.00)	2.9503	95,000	2.9755	163,500	3.1295	794,350.55	3.5481
11	0	0.0000	0.00	2.9474	85,000	3.0493	152,800	3.0458	724,597.56	3.0402
12	(2,400)	3.0567	(7,336.00)	2.9557	59,400	2.9798	158,200	2.9854	649,288.34	2.9812
13	0	0.0000	0.00	2.7699	50,000	2.9640	143,000	2.9569	571,032.30	2.9511
14	0	0.0000	0.00	2.7357	45,000	2.7961	148,800	2.7977	542,115.64	2.7953
15	0	0.0000	0.00	1.8001	103,500	2.8063	176,400	2.8521	793,552.39	2.8544
16	(6,000)	0.0896	(537.50)	0.3710	3,500	2.8600	241,100	2.6380	646,042.22	2.3212
17	0	0.0000	0.00	2.2510	13,500	2.8748	257,700	2.5150	686,925.46	2.0905
18	29,200	2.7947	81,605.50	2.8150	3,500	2.8600	159,700	2.6907	439,719.58	2.3936
19	(27,600)	2.5053	(69,147.50)	2.4982	3,500	2.8600	183,800	2.8201	528,352.02	2.8179
20	0	0.0000	0.00	3.2245	0	0.0000	184,100	2.8923	532,474.01	2.8911
21	0	0.0000	0.00	2.9518	60,300	3.3614	207,800	3.2879	885,912.12	3.2804
22	0	0.0000	0.00	0.7049	(43,600)	2.9790	158,500	3.2481	384,943.85	2.9894
23	(13,500)	3.2098	(43,332.50)	3.2331	81,000	3.2853	232,300	3.1145	989,604.83	2.7309
24	0	0.0000	0.00	3.8573	138,900	3.3828	199,300	3.2422	1,116,035.13	3.4663
25	0	0.0000	0.00	3.9061	132,400	3.5474	175,600	3.9276	1,159,361.60	3.9185
26	0	0.0000	0.00	3.5712	40,000	3.8744	162,400	3.9095	789,877.26	3.9024
27	(16,400)	3.2910	(53,973.00)	3.3546	15,000	3.6117	193,600	3.5812	747,491.04	3.5764
28	(24,900)	3.3981	(84,613.00)	3.8360	0	0.0000	190,000	3.4275	651,229.00	3.4241
29	0	0.0000	0.00	0.0000	0	0.0000	0	0.0000	0.00	0.0000
30	0	0.0000	0.00	0.0000	0	0.0000	0	0.0000	0.00	0.0000
31	0	0.0000	0.00	0.0000	0	0.0000	0	0.0000	0.00	0.0000
TOTAL	(166,400)		(713,165.00)		1,856,000		4,631,700		19,868,829.44	

Schedule R6 - Actual Spot Gas Purchases by Delivery Day
February 2019
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	300,000	2.5114	753,410	2.3293
2	300,000	2.5114	753,410	3.0313
3	300,000	2.5114	753,410	3.6862
4	300,000	4.0944	1,228,310	4.0727
5	400,000	3.2256	1,290,240	3.2031
6	300,000	2.6871	806,120	2.6654
7	300,000	3.1247	937,400	3.1030
8	300,000	3.0090	902,690	3.0056
9	300,000	3.0090	902,690	2.9119
10	300,000	3.0090	902,690	3.5481
11	300,000	3.0619	918,560	3.0402
12	300,000	3.0029	900,860	2.9812
13	300,000	2.9728	891,830	2.9511
14	250,000	2.8163	704,075	2.7953
15	200,000	2.8652	573,040	2.8544
16	200,000	2.8652	573,040	2.3212
17	200,000	2.8652	573,040	2.0905
18	200,000	2.8652	573,040	2.3936
19	100,000	2.8329	283,290	2.8179
20	100,000	2.9061	290,610	2.8911
21	100,000	3.2954	329,540	3.2804
22	150,000	3.2304	484,565	2.9894
23	150,000	3.2304	484,565	2.7309
24	150,000	3.2304	484,565	3.4663
25	200,000	3.9385	787,700	3.9185
26	200,000	3.9224	784,480	3.9024
27	100,000	3.5914	359,140	3.5764
28	150,000	3.4424	516,365	3.4241
29	0	0.0000	0	0.0000
30	0	0.0000	0	0.0000
31	0	0.0000	0	0.0000
TOTAL	6,450,000		19,742,675	

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R7- Monthly Index Purchases
February 2019
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	280,000	1.857	519,820
6573628	11/1/2018	4/1/2019	280,000	1.857	519,820
6521145	11/1/2018	4/1/2019	560,000	1.857	1,039,640
6540938	11/1/2018	4/1/2019	560,000	1.857	1,039,640
6573629	11/1/2018	4/1/2019	280,000	1.856	519,540
6649496	11/1/2018	4/1/2019	560,000	1.857	1,039,640
6521144	11/1/2018	4/1/2019	560,000	1.857	1,039,640
6631185	11/1/2018	6/1/2019	280,000	1.833	513,100
6591347	11/1/2018	4/1/2019	280,000	1.823	510,300
6591346	11/1/2018	5/1/2019	280,000	1.833	513,100
7736240	2/1/2019	3/1/2019	280,000	1.855	519,400
7736245	2/1/2019	3/1/2019	560,000	1.855	1,038,800
7736242	2/1/2019	3/1/2019	560,000	1.855	1,038,800
7736247	2/1/2019	3/1/2019	560,000	1.855	1,038,800
7911854	2/1/2019	3/1/2019	126,000	1.855	233,730
7736243	2/1/2019	3/1/2019	280,000	1.855	519,400
7736241	2/1/2019	3/1/2019	560,000	1.855	1,038,800
7736244	2/1/2019	3/1/2019	560,000	1.855	1,038,800
Total Term and Monthly Index Purchases			7,406,000	1.853	13,720,770

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

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

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

Line	Description	Unit	Forecast April 24, 2019
1	AECO Monthly Index	TJ	1,705
2	AECO Daily Index	TJ	2,704
3	Other	TJ	34
4	Total	TJ	4,443

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

SCHEDULE F-2
FORECAST UNIT GAS PRICES
May 2019

Line	Description	Unit	Forecast April 24, 2019
1	AECO Monthly Index	\$/GJ	1.1451
2	AECO Daily Index	\$/GJ	1.1174

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including April 23, 2019 on the AECO/NGX Intra-Alberta May (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the May, AECO/NGX Intra-Alberta Settlement prices on April 16, 17, 18, 22 & 23, 2019.

In order to zero the forecast balance of the DGA on May 31, 2019, a Rider F of \$2.285/GJ should be implemented on May 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	-4,756
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	5,005
3	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	9,760
4	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	4,376
5	GCFR	\$/GJ	Line 3 divided by Line 4	2.231
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	2.285