

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 \$1.660/GJ for Direct Energy Regulated Services (DERS) gas customers for March 2020.

1 - DGA COST AND RECOVERY OVERVIEW

Schedule M-1: Monthly DGA Costs and Recoveries
Schedule M-2: Monthly DGA Energy Balance

2 - RECONCILIATION MONTH SCHEDULES

Schedule R-1: Forecast and Actual DGA Costs and Recoveries
Schedule R-2: DGA Energy Balance and Degree Days
Schedule R-3: Actual Gas Purchases
Schedule R-4: Forecast and Actual Unit Gas Prices
Schedule R-5: Actual Spot Gas Purchases by Trade Day
Schedule R-6: Actual Spot Gas Purchases by Delivery Day - Peaking
Schedule R-7: Monthly Index Purchases

3 - FORECAST MONTH SCHEDULES

Schedule F-1: Forecast Gas Purchases
Schedule F-2: Forecast Unit Gas Prices
Schedule F-3: Rider F Rate Derivation

4 - APPENDIX

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 Dec-19	Estimate Jan-20	Estimate Feb-20	Forecast Mar-20
1	Opening Cumulative DGA Balance	\$,000	(4,522)	(3,946)	1,144	(663)	1,196
<u>Gas Supply Costs</u>							
2	Purchases	\$,000	0	37,257	39,283	27,666	21,516
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	37,257	39,283	27,666	21,516
<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	37,287	39,314	27,697	21,546
<u>Recoveries</u>							
9	Net Calendar Sales*	\$,000	576	41,634	36,846	29,459	20,350
10	Excess System Sales	\$,000	0	744	661	97	0
11	Total Recoveries	\$,000	576	42,377	37,507	29,556	20,350
12	Current DGA Balance	\$,000	576	5,090	(1,807)	1,859	(1,196)
13	Closing Cumulative DGA Balance	\$,000	(3,946)	1,144	(663)	1,196	0

* Net Calendar Sales excludes return margin amounts.

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

Line	Description	Units	A	B	C	D
			Actual Dec-19	Estimate Jan-20	Estimate Feb-20	Forecast Mar-20
<u>Gas Supply Costs</u>						
1	Purchases	TJ	14,543	16,834	13,639	12,790
2	Imbalances	TJ	0	0	0	0
3	Total Energy	TJ	14,543	16,834	13,639	12,790
<u>Recoveries</u>						
4	Net Calendar Sales	TJ	13,722	16,711	13,464	12,680
5	Excess System Sales	TJ	336	325	58	0
6	Total Recoveries	TJ	14,059	17,036	13,522	12,680
7	Load Balancing / UFG Estimate	TJ	(484)	202	(117)	(111)

SPECIAL NOTES:

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R-1 shows the forecast and actual DGA cost and recovery components for December 2019 as of November 25, 2019 and February 24, 2020 respectively. Schedule R-2 shows the forecast and actual DGA energy balance for December 2019 as of November 25, 2019 and February 24, 2020. It also shows the normal and actual degree days for December 2019.

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

Line	Description	Units	Forecast November 25, 2019	Actual February 24, 2020	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	\$,000	44,834	37,257	(7,578)
2	Daily Trade Averaging Adjustment	\$,000	0	0	0
3	Imbalances	\$,000	0	0	0
4	Total Gas Supply Costs	\$,000	44,834	37,257	(7,578)
<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	44,865	37,287	(7,578)
<u>Recoveries</u>					
11	Net Calendar Sales*	\$,000	50,027	41,634	(8,393)
12	Excess System Sales	\$,000	0	744	744
13	Penalty Revenue	\$,000	0	0	0
14	Total Recoveries	\$,000	50,027	42,377	(7,649)

* Net Calendar Sales excludes return margin amounts.

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

Line	Description	Units	Forecast November 25, 2019	Actual February 24, 2020	Actual Less Forecast
<u>Gas Supply Costs</u>					
1	Purchases	TJ	16,633	14,543	(2,090)
2	Imbalances	TJ	0	0	0
3	Total Energy	TJ	16,633	14,543	(2,090)
<u>Recoveries</u>					
4	Calendar Sales	TJ	16,489	13,722	(2,767)
5	Excess System Sales	TJ	0	336	336
6	Total Recoveries	TJ	16,489	14,059	(2,431)
7	DGA UFG	TJ	(144)	(484)	(340)
8	Degree Days	DD	1,436	1,339	(97)

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 December 2019 as of February 24, 2020.

SCHEDULE R-3
ACTUAL GAS PURCHASES
December 2019
Actual - As of February 24, 2020

Line	Description	TJ	\$/GJ	\$,000
1	Nova Inventory Transfer Supplies (Monthly)	11,005	2.654	29,206
2	Nova Inventory Transfer Supplies (Daily Index)	3,538	2.276	8,051
3	Total Gas Purchases	14,543	2.562	37,257

Schedule R-4 shows the forecast and actual unit gas prices for December 2019 as of November 25, 2019 and February 24, 2020 respectively.

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

Line	Description	Units	Forecast November 25, 2019	Actual February 24, 2020	Actual Less Forecast
1	AECO Monthly Index	\$/GJ	2.6489	2.6503	0.0014
2	AECO Daily Index	\$/GJ	2.7730	2.2580	(0.5150)

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including November 22, 2019 on the AECO/NGX Intra-Alberta December (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 November 30, 2019 on the AECO/NGX Intra-Alberta December (Near Month) instrument as reported by NGX.
3. The forecast unit price in Line 2 is the arithmetic average of the December, AECO/NGX Intra-Alberta Settlement prices on November 18, 19, 20, 21 & 22, 2019.
4. The actual unit price in Line 2 is the total weighted average price of the daily, weighted average prices each day in December 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 Transactions by Trade Day
December 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	(3,800)	1.9263	(7,320.00)	1.4948	0	0.0000	106,000	2.6628	282,261.20	2.1717
2	0	0.0000	256.00	2.5057	0	0.0000	(5,000)	2.1715	(10,857.50)	2.1815
3	(6,700)	1.6560	(11,095.00)	1.7839	0	0.0000	(30,000)	2.5013	(75,039.00)	2.5028
4	(800)	2.4900	(1,992.00)	2.4535	0	0.0000	54,000	2.4180	130,571.20	2.4163
5	22,300	2.4516	54,670.00	2.4284	0	0.0000	35,000	2.4540	85,889.00	2.4519
6	2,700	2.2452	6,062.00	2.2582	0	0.0000	30,000	2.4046	72,139.00	2.4099
7	0	0.0000	0.00	2.2375	25,000	2.4310	87,000	2.3404	264,388.00	2.2540
8	0	0.0000	0.00	2.2950	20,000	2.4725	75,000	2.3541	226,007.50	2.2537
9	10,400	2.3884	24,839.00	2.3711	20,000	2.4725	80,000	2.2932	232,908.00	2.2926
10	0	0.0000	0.00	2.2805	(5,000)	2.3100	115,000	2.3371	257,211.50	2.3361
11	21,500	2.3449	50,415.00	2.3556	0	0.0000	125,000	2.3041	288,012.50	2.3032
12	20,100	2.2593	45,411.00	2.2737	6,000	2.3000	134,000	2.3076	323,018.40	2.3051
13	6,000	2.1700	13,020.00	2.1810	5,000	2.2900	160,000	2.2863	377,260.00	2.2776
14	(8,500)	2.2041	(18,735.00)	2.1712	5,000	2.2900	98,000	2.2851	235,387.60	2.1987
15	(20,600)	2.1667	(44,633.50)	2.1898	5,000	2.2900	55,000	2.3798	142,341.50	2.1559
16	0	0.0000	0.00	2.2621	0	0.0000	20,000	2.2861	45,722.00	2.2836
17	11,900	2.2471	26,740.50	2.2510	0	0.0000	(27,000)	2.2725	(61,358.80)	2.2744
18	0	0.0000	0.00	2.2081	21,700	2.2373	40,000	2.2410	138,189.50	2.2401
19	0	0.0000	0.00	2.2078	0	0.0000	65,000	2.1877	142,198.50	2.1869
20	9,000	2.2481	20,233.20	2.2617	25,000	2.2280	20,000	2.2018	99,735.00	2.2132
21	0	0.0000	0.00	2.2958	25,000	2.2280	40,000	2.2016	143,764.00	2.3041
22	0	0.0000	0.00	2.1708	25,000	2.2280	60,000	2.2221	189,028.00	2.2632
23	41,500	2.1790	90,428.25	2.1966	0	0.0000	20,000	2.1728	43,456.00	2.1703
24	9,000	2.0192	18,172.50	1.9804	0	0.0000	54,000	2.1693	117,139.70	2.1759
25	3,300	2.1870	7,217.00	2.1404	0	0.0000	64,500	2.1215	136,837.40	2.0874
26	14,600	2.1556	31,472.00	2.1466	0	0.0000	63,000	2.1580	135,953.40	2.1533
27	0	0.0000	0.00	1.7497	5,000	2.0500	109,700	2.1044	241,097.83	2.1029
28	200	1.9650	393.00	1.9963	(10,000)	1.9600	115,000	2.1043	222,398.50	1.9413
29	(100)	2.0100	(201.00)	2.0406	(10,000)	2.0000	115,000	2.1043	221,998.50	2.0133
30	12,900	2.0778	26,804.00	2.0938	0	0.0000	20,000	2.0756	41,512.00	2.0731
31	0	0.0000	0.00	1.9050	14,900	1.9892	(20,000)	2.0655	(11,671.50)	2.0706
TOTAL	144,900		332,156.95		177,600		1,878,200		4,677,498.93	

SECTION 2
RECONCILIATION MONTH SCHEDULES

Schedule R6 - Actual Spot Gas Purchases by Delivery Day
December 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	0	0.0000	0	2.1717
2	0	0.0000	0	2.1815
3	0	0.0000	0	2.5028
4	0	0.0000	0	2.4163
5	50,000	2.4669	123,345	2.4519
6	50,000	2.4173	120,865	2.4099
7	50,000	2.4173	120,865	2.2540
8	50,000	2.4173	120,865	2.2537
9	50,000	2.3076	115,380	2.2926
10	50,000	2.3511	117,555	2.3361
11	50,000	2.3182	115,910	2.3032
12	50,000	2.3201	116,005	2.3051
13	75,000	2.3072	173,040	2.2776
14	75,000	2.3072	173,040	2.1987
15	75,000	2.3072	173,040	2.1559
16	50,000	2.2986	114,930	2.2836
17	0	0.0000	0	2.2744
18	0	0.0000	0	2.2401
19	0	0.0000	0	2.1869
20	0	0.0000	0	2.2132
21	0	0.0000	0	2.3041
22	0	0.0000	0	2.2632
23	75,000	2.1853	163,898	2.1703
24	85,000	2.1768	185,028	2.1759
25	85,000	2.1768	185,028	2.0874
26	85,000	2.1768	185,028	2.1533
27	0	0.0000	0	2.1029
28	0	0.0000	0	1.9413
29	0	0.0000	0	2.0133
30	0	0.0000	0	2.0731
31	0	0.0000	0	2.0706
TOTAL	1,005,000		2,303,822	

SECTION 2
RECONCILIATION MONTH SCHEDULES

**Schedule R7- Monthly Index Purchases
December 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>
8427678	6/1/2019	1/1/2020	310,000	2.653	822,368
9128699	11/1/2019	11/1/2020	310,000	2.655	823,143
9036038	11/1/2019	11/1/2020	310,000	2.653	822,368
9128835	11/1/2019	4/1/2020	620,000	2.655	1,646,286
9100566	11/1/2019	4/1/2020	310,000	2.655	823,143
9107638	11/1/2019	4/1/2020	620,000	2.655	1,646,286
9100564	11/1/2019	4/1/2020	310,000	2.655	823,143
9063467	11/1/2019	4/1/2020	620,000	2.655	1,646,286
9107641	11/1/2019	4/1/2020	620,000	2.655	1,646,286
9128701	11/1/2019	4/1/2020	310,000	2.658	823,918
9107544	11/1/2019	5/1/2020	310,000	2.635	816,943
9107523	11/1/2019	5/1/2020	310,000	2.620	812,293
9159328	12/1/2019	4/1/2020	155,000	2.658	411,959
9414357	12/1/2019	1/1/2020	310,000	2.635	816,943
9429014	12/1/2019	1/1/2020	310,000	2.650	821,593
9240689	12/1/2019	1/1/2020	775,000	2.660	2,061,733
9219091	12/1/2019	1/1/2020	310,000	2.655	823,143
9219195	12/1/2019	1/1/2020	620,000	2.655	1,646,286
9240688	12/1/2019	1/1/2020	775,000	2.660	2,061,733
9240754	12/1/2019	1/1/2020	310,000	2.658	823,918
9219090	12/1/2019	1/1/2020	310,000	2.655	823,143
9219088	12/1/2019	1/1/2020	620,000	2.654	1,645,666
9219089	12/1/2019	1/1/2020	620,000	2.655	1,646,286
9219087	12/1/2019	1/1/2020	620,000	2.655	1,646,286
9337817	12/1/2019	1/1/2020	310,000	2.660	824,693
Total Term and Monthly Index Purchases			11,005,000	2.654	29,205,844

SECTION 3
FORECAST MONTH SCHEDULES

This section provides details of the Deferred Gas Account (DGA) components for March 2020.

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 March 2020.

Schedule M-2 in Section 1 shows the forecast energy balance of the DGA for March 2020.

Schedule F-1 shows the forecast of gas purchases for March 2020 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
March 2020

Line	Description	Unit	Forecast February 24, 2020
1	AECO Monthly Index	TJ	7,285
2	AECO Daily Index	TJ	5,505
3	Other	TJ	111
4	Total	TJ	12,901

Schedule F-2 shows the forecast of the unit gas prices for March 2020.

SCHEDULE F-2
FORECAST UNIT GAS PRICES
March 2020

Line	Description	Unit	Forecast February 24, 2020
1	AECO Monthly Index	\$/GJ	1.6751
2	AECO Daily Index	\$/GJ	1.6915

Notes:

1. The forecast unit price in Line 1 is the weighted average price of the transactions made up to and including February 21, 2020 on the AECO/NGX Intra-Alberta March (Near Month) instrument as reported by NGX.
2. The forecast unit price in Line 2 is the arithmetic average of the March, AECO/NGX Intra-Alberta Settlement prices on February 14, 18, 19, 20 & 21, 2020.

In order to zero the forecast balance of the DGA on March 31, 2020, a Rider F of \$1.66/GJ should be implemented on March 01, 2020. 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	1,196
2	Net Gas Cost Estimate	\$,000	Schedule M-1, Line 8, Column E	21,546
3	Net Monthly Gas Cost Recovery	\$,000	Schedule M-1, Line 11, Column E	20,350
4	Forecast Monthly Sales	TJ	Schedule M-2, Line 4, Column D	12,680
5	GCFR	\$/GJ	Line 3 divided by Line 4	1.605
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	1.660