March 30, 2021 Disposition 26416-D01-2021

Direct Energy Marketing Limited
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Attention: Nicole Black
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Direct Energy Regulated Services – North and South
Default Rate Tariff
Gas Charge – April 2021
Proceeding 26416

1. Direct Energy Regulated Services (DERS), a Business Unit of Direct Energy Marketing Limited, submitted its monthly filing on March 25, 2021, to the Alberta Utilities Commission for its proposed gas cost flow-through rate[1] (GCFR) for the month of April 2021 for customers served in the ATCO Gas[2] North and South service territories. DERS is the default supply provider for ATCO Gas. The proposed GCFR was $2.535 per gigajoule (GJ).

2. In Order U2008-374,[3] the Commission approved a return margin for DERS. Unlike the GCFR, the return margin is not subject to deferral account treatment through DERS' deferred gas account but is to be recovered with the GCFR through DERS' Rider F. In Decision 25727-D01-2020,[4] the Commission approved a return margin charge of $0.052/GJ effective October 1, 2020, on an interim basis.

3. In Decision 20363-D01-2015,[5] the Commission approved a single GCFR for the ATCO Gas North and South service territories. DERS commenced the use of a single GCFR in its December 2015 monthly filing.

4. Directions for determining the GCFR were issued to gas utilities by the Alberta Energy and Utilities Board, predecessor to the Commission, in Decision 2001-75,[6] and more specifically

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1 This rate for marketable gas, also known as a gas cost recovery rate (GCRR), is referred to as the gas charge under the *Default Gas Supply Regulation*.
2 A division of ATCO Gas and Pipelines Ltd.
3 Order U2008-374: Direct Energy Regulated Services, 2009 Interim Default Rate Tariff and Regulated Rate Tariff, Proceeding 134, Application 1595512-1, December 11, 2008.
4 Decision 25727-D01-2020: Direct Energy Regulated Services, 2020 Default Rate Tariff and Regulated Rate Tariff Interim Rates Application, Proceeding 25727, September 14, 2020.
5 Decision 20363-D01-2015: Direct Energy Regulated Services, Application for a Single Gas Cost Flow-Through Rate, Proceeding 20363, November 6, 2015.
6 Decision 2001-75: Methodology for Managing Gas Supply Portfolios and Determining Gas Cost Recovery Rates (Methodology) Proceeding and Gas Rate Unbundling (Unbundling) Proceeding, Part A: GCRR Methodology and Gas Rate Unbundling, Applications 2001040 and 2001093, Files 5680-1 and 5680-2, October 30, 2001.

to ATCO Gas North in Decision 2002-035,[7] ATCO Gas South in Decision 2002-034,[8] and to DERS in Decision 2003-106.[9] However, in Decision 2009-238,[10] DERS was given approval to remove energy-related charges for credit costs, working capital, bad debts and penalty revenue from the determination of the GCFR, which resulted in a change to the previously approved deferred gas account procedures for DERS. The change was made effective August 1, 2010, by Decision 2010-317.[11] The respective charges and revenue will continue to be included in DERS' default rate tariff on a forecast basis and recovered through Rider F. DERS will be at risk for the difference between forecast amounts approved by the Commission and actual amounts incurred. In Decision 25727-D01-2020, the Commission approved the charge for certain energy costs of $0.016/GJ, on an interim basis, effective October 1, 2020.

5. For the month of April 2021, the following amounts are included in setting Rider F for customers served in the ATCO Gas North and South service territories:

	$/GJ
GCFR	$2.535
Reasonable return margin	0.052
Forecast energy-related charges	0.016
Rider F	$2.603

6. The Commission has reviewed the filing and accepts that the proposed GCFR was calculated on a monthly flow-through basis in accordance with Section 3(5) of the *Default Gas Supply Regulation*. Consequently, the Commission acknowledges for DERS the GCFR of $2.535/GJ, which is to be applied to all energy sold to customers served by DERS under low-use delivery service, mid-use delivery service, high-use delivery service and irrigation delivery service in the ATCO Gas North and South service territories during the month of April 2021.

7. As directed in Decision 2001-75, a 30-day review period was provided to interested parties following the filing of each monthly GCRR in which parties could raise any concerns with the GCRR, price and volume forecasts, and prior period reconciliations. As DERS is the default supply provider for ATCO Gas, the 30-day review period is similarly applicable to the GCFRs requested by DERS.

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[7] Decision 2002-035: ATCO Gas North, GCRR Methodology and Gas Rate Unbundling – Compliance Filing, Applications 1257378-1 and 1257516-1, Files 5627-46 and 5627-47, March 21, 2002.

[8] Decision 2002-034: ATCO Gas South, GCRR Methodology and Gas Rate Unbundling – Compliance Filing, Applications 1257245-1 and 1257515-1, Files 5626-52 and 5626-53, March 21, 2002.

[9] Decision 2003-106: Direct Energy Regulated Services, Electric Regulated Rate Tariff and Gas Default Rate Tariff, Application 1302109-1, December 18, 2003.

[10] Decision 2009-238: Direct Energy Regulated Services, 2009/2010/2011 Default Rate Tariffs and Regulated Rate Tariffs, Proceeding 149, Application 1600749-1, December 3, 2009, paragraph 140.

[11] Decision 2010-317: Direct Energy Regulated Services, 2009/2010/2011 Default Rate Tariffs and Regulated Rate Tariffs Compliance Filing, Proceeding 468, Application 1605840-1, July 8, 2010.

8. The Commission may, within 30 days of the date of this disposition and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected disposition on its website.

(original signed by)

Vera Slawinski
Commission Member