

May 27, 2022

Disposition 27405-D01-2022

Apex Utilities Inc.
5509 45 St.
Leduc, Alta. T9E 6T6

Attention: Jennifer Coleman
Senior Regulatory Specialist

Apex Utilities Inc.
Default Rate Tariff
Gas Charge – June 2022
Proceeding 27405

1. Apex Utilities Inc. (AUI) submitted its monthly filing on May 25, 2022, with the Alberta Utilities Commission for its proposed gas cost recovery rate (GCRR)¹ for the month of June 2022. The proposed GCRR was \$9.361 per gigajoule (GJ).
2. AUI's GCRR is designed to include a true-up of over- or under-collected amounts from any month in the subsequent month. As part of its application, AUI explained that the calculated rate for May 2022 increased significantly due to higher variances in expected gas prices and consumption in April 2022. This resulted in a large deferred amount of \$1.24 million to be included in the May 2022 GCRR rates. To reduce the effect of this on consumers, AUI proposed to only collect a portion of the deferral balance in the May rates and to defer the remaining \$1.01 million amount for collection in future GCRR filings. AUI's rates for May 2022 were approved in Disposition 27341-D01-2022.²
3. In the current application, for June 2022 rates, AUI noted that the forward curve for natural gas has climbed throughout the month of May, and AUI expects that to continue in the month of June. AUI is therefore proposing to only collect a load weighted portion of the deferred gas account (DGA) balance in the June 2022 GCRR rates and to collect the remaining deferred amount in future months.
4. Given the Government of Alberta's announced natural gas rebate program for gas rates exceeding \$6.50/GJ, which is expected to commence in October 2022,³ the Commission finds that it is prudent for AUI to close out the remaining carry forward balance by the end of September 2022. Accordingly, the Commission directs AUI to include, as part of its July 2022 GCRR filing, a proposal to recover the remaining carry forward balance over the period from

¹ This rate for marketable gas, also known as a gas cost flow-through rate, is referred to as the gas charge under the *Default Gas Supply Regulation*.

² Disposition 27341-D01-2022: Apex Utilities Inc., Default Rate Tariff Gas Charge - May 2022, Proceeding 27341, April 28, 2022.

³ Alberta's Recovery Plan, Affordability programs, <https://www.alberta.ca/affordability-programs.aspx>

July 2022 to September 2022 such that AUI's forecast closing DGA balance for September 30, 2022, is zero.

5. The Commission has reviewed the filing and accepts that the proposed GCRR was calculated on a monthly flow-through basis in accordance with Section 3(5) of the *Default Gas Supply Regulation*, and in accordance with the directions previously issued to gas utilities by the Alberta Energy and Utilities Board, predecessor to the Commission, in Decision 2001-75⁴ and, more specifically to AUI, in Decision 2002-036.⁵ Consequently, the Commission acknowledges for AUI the GCRR of \$9.361/GJ, as set out in Rate Rider D, which is to be applied to the energy sold to all sales service rates unless otherwise specified by specific contracts during June 2022.

6. As directed in Decision 2001-75, interested parties will be provided with a 30-day review period following the filing of each monthly GCRR in which to raise any concerns with the GCRR, price and volume forecasts, and prior period reconciliations.

7. The Commission may, within 60 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)

Carolyn Dahl Rees
Chair
Alberta Utilities Commission

⁴ 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.

⁵ Decision 2002-036: AltaGas Utilities Inc., GCRR Methodology and Gas Rate Unbundling – Compliance Filing, Application 1258179-1, File 5628-43, March 21, 2002.