

April 29, 2024

Disposition 28997-D01-2024

Direct Energy Marketing Limited
2500, 530 8 Ave. S.W.
Calgary, Alta. T2P 3S8

Attention: Nicole Black
Director, Government & Regulatory Affairs

**Direct Energy Regulated Services – North and South
Default Rate Tariff
Natural Gas Default Supply Rate – May 2024
Proceeding 28997**

Acknowledgment of May 2024 default rate tariff

1. Customers in Alberta can choose to purchase natural gas from a variety of competitive retailers. The retail rates charged by competitive retailers are not regulated by the Alberta Utilities Commission. For information on competitive retailers, customers can refer to the website of the Office of the Utilities Consumer Advocate at <https://ucahelps.alberta.ca/retailers.aspx>. Customers who do not choose a competitive retailer purchase natural gas through a default rate tariff approved by the Commission.
2. ATCO Gas and Pipelines Ltd. is an owner of a natural gas distribution system in Alberta and provides customers in its service area with gas distribution service. ATCO Gas is also required to provide, or make arrangements for the provision of, a default rate tariff for customers in its service area. ATCO Gas has arranged for Direct Energy Regulated Services to be the default supply provider in its service area.
3. The energy charge under Direct Energy's default rate tariff is called Rider F. Rider F recovers the gas cost flow-through rate (GCFR) and certain other Commission-approved amounts. Before the commencement of each month, Direct Energy calculates the GCFR based on a previously approved methodology¹ that is intended to flow through the actual cost of the natural gas consumed to customers. Direct Energy adds its approved reasonable return margin and energy-related charges² to the GCFR to formulate its Rider F rate, which will apply in that month. The calculations and resulting Rider F is filed with the Commission for acknowledgment.

¹ 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. See also Decision 20363-D01-2015: Direct Energy Regulated Services, Application for a Single Gas Cost Flow-Through Rate, Proceeding 20363, November 6, 2015.

² Direct Energy's reasonable return of \$0.065/GJ and forecast energy-related charges of \$0.057/GJ, effective January 1, 2024, on an interim basis, were approved in Decision 28661-D01-2023: Direct Energy Regulated Services, 2024 Regulated Rate Tariff and Default Rate Tariff Interim Rates, Proceeding 28661, December 11, 2023.

4. For May 2024, Direct Energy calculated its Rider F rate as follows:

	\$/GJ
GCFR	\$1.413
Reasonable return margin	0.065
Forecast energy-related charges	<u>0.057</u>
Rider F	<u>\$1.535</u>

5. The Commission reviewed Direct Energy's 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* and the previously approved methodology. The Commission acknowledges Direct Energy's GCFR and Rider F as set out above. As directed in Decision 2001-75, parties have 30 days to review each month's GCFR and raise any concerns with the GCFR, price and volume forecasts, and prior period reconciliations.

6. The Commission may, no later than 60 days from 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)

Chris Arnot
Director, Retail Energy and Water
On behalf of the Alberta Utilities Commission