

July 30, 2019

Decision 24770-D01-2019

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

Attention: Ms. Nicole Black  
Senior Manager, Government and Regulatory Affairs  
Direct Energy Marketing Limited

**Direct Energy Regulated Services  
Regulated Rate Tariff  
Electric Energy Charges – August 2019  
Proceeding 24770**

- On July 25, 2019, Direct Energy Regulated Services (DERS) filed its energy charges applicable to its regulated rate tariff (RRT) for the month of August 2019 with the Alberta Utilities Commission.
- The filing included an attestation letter from a senior officer of DERS in accordance with the format directed by the Commission in Decision 22635-D01-2018.<sup>1</sup> The attestation letter stated the senior officer had conducted a review of the filing and affirmed that the rates had been determined in accordance with the energy price setting plan (EPSP) for 2018 to 2020, as approved by the Commission in Decision 24296-D01-2019.<sup>2</sup>
- DERS’ proposed energy charges for the month of August 2019 are as follows:

| Rate class                | Energy charge as calculated cents/kilowatt hour (kWh) | Energy charge as billed cents/kWh |
|---------------------------|---|-----------------------------------|
| Residential               | 8.673   | 6.800                             |
| Commercial                | 8.774   | 6.800                             |
| Industrial                | 8.424   | 6.800                             |
| Farming (Includes REA)    | 8.722   | 6.800                             |
| Irrigation (Includes REA) | 8.320   | 6.800                             |
| Oil & Gas                 | 8.354   | 6.800                             |
| Lighting                  | 5.860   | 5.860                             |

- As part of its filing and in accordance with the *Rate Cap (Commission Approved Regulated Rate Tariffs) Regulation*, DERS also submitted its deferral account statement for the

<sup>1</sup> Decision 22635-D01-2018: Direct Energy Regulated Services, 2018-2020 Energy Price Setting Plan, Proceeding 22635, December 21, 2018.  
<sup>2</sup> Decision 24296-D01-2019: Direct Energy Regulated Services, 2018-2020 Energy Price Setting Plan Compliance Filing to Decision 22635-D01-2018, Proceeding 24296, May 22, 2019.

month of August 2019. DERS' energy charges for the Residential, Commercial, Industrial, Farming, Irrigation, and Oil and Gas rate classes exceeded the price cap of 6.8 cents/kWh, and therefore, the price cap is reflected in DERS' energy charges for the month. DERS stated that its deferral account was calculated for both the revenue shortfall related to the implementation of the price cap in addition to any deferral account balance adjustments.

5. The AUC has reviewed the filing, including the attestation letter from the senior officer. In accordance with Section 7(3) of the *Regulated Rate Option Regulation*, the AUC acknowledges that the energy charges as set out above represent rates determined in accordance with DERS' EPSP for 2018 to 2020.

6. The AUC has also reviewed DERS' deferral account statement and DERS' calculation of its deferral account balance. In accordance with Section 4 of the *Rate Cap (Commission Approved Regulated Rate Tariffs) Regulation*, the AUC approves DERS' submitted deferral account statement for the month of August 2019. The approved deferral account statement is included as an appendix to this letter.

7. Further, as outlined in sections 7(4) and 7(5) of the *Regulated Rate Option Regulation*, DERS must retain records sufficient to enable the AUC to audit any previous monthly rates set by DERS. Any amount overcharged to customers due to an incorrect rate calculation must be refunded to customers as soon as practicable after the error is discovered.

8. If any affected party objects to the calculation of the energy charges for the month in question, they should notify the AUC and DERS in a timely manner, and include the nature of their objection and the reason(s) why it should be considered.

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

*(original signed by)*

Mark Kolesar  
Chair

Attachment

## Appendix 1 – DERS August 2019 Deferral Account Statement



Appendix 1 - DERS  
August 2019 Deferral  
(consists of 1 page)

**DEFERRAL ACCOUNT STATEMENT PRESCRIBED UNDER Section 3 of RATE CAP (COMMISSION APPROVED REGULATED RATE TARIFFS) REGULATION**  
*(Calculation of Deferral Account Amounts for Owners regulated by the Alberta Utilities Commission)*

NOTE: Areas shaded in grey to be completed by the Owner

**A.) Current Delivery Month Calculation**

Current Month Submission: **Aug-19** Section 3(3)(a)

| Rate Class                    | Regulation , Section 3(3)(a)(i) | Maximum Rate (\$/kWh) | Forecast Consumption (kWh) | Deferral Account Amount (\$) |
|-------------------------------|---------------------------------|-----------------------|----------------------------|------------------------------|
| 1 Residential                 | 0.08673                         | 0.068                 | 45095732                   | 844643.0538                  |
| 2 Commercial                  | 0.08774                         | 0.068                 | 17938423                   | 354104.4651                  |
| 3 Industrial                  | 0.08424                         | 0.068                 | 2480824                    | 40288.58777                  |
| 4 Farming (excl REA)          | 0.08722                         | 0.068                 | 14660999                   | 281784.3944                  |
| 5 Irrigation                  | 0.0832                          | 0.068                 | 374910                     | 5698.638232                  |
| 6 Oil & Gas                   | 0.08354                         | 0.068                 | 301231                     | 4681.132693                  |
| 7 Lighting                    | 0.0586                          | 0.068                 | 125870                     | 0                            |
|                               |                                 |                       | GST                        | 76560.0136                   |
| <b>Total - Estimated (\$)</b> |                                 |                       |                            | <b>1607760.286</b>           |

**B.) Recalculation based on actual consumption data**

Previously Submitted Month: **Feb-19** Section 3(3)(b)

| Rate Class                     | Regulation Section 3(3)(b)(i) | Maximum Rate (\$/kWh) | Actual Consumption (kWh) | Previous Deferral Account Amount (\$) | *Recalculation (\$) | Difference (\$)    |
|--------------------------------|-------------------------------|-----------------------|--------------------------|---------------------------------------|---------------------|--------------------|
| 1 Residential                  | 0.07109                       | 0.068                 | 56,520,424.28            | 183807.5533                           | 174648.111          | -9159.442297       |
| 2 Commercial                   | 0.07024                       | 0.068                 | 22,882,337.37            | 45771.28347                           | 51256.43571         | 5485.152241        |
| 3 Industrial                   | 0.06903                       | 0.068                 | 3,182,111.63             | 3073.58552                            | 3277.574979         | 203.9894585        |
| 4 Farming (excl REA)           | 0.07011                       | 0.068                 | 28,606,293.07            | 53442.89306                           | 60359.27838         | 6916.385315        |
| 5 Irrigation (excl REA)        | 0.06823                       | 0.068                 | 0                        | 0.09760464                            | 0                   | -0.09760464        |
| 6 Oil & Gas                    | 0.06895                       | 0.068                 | 316,378.33               | 355.2609056                           | 300.5594135         | -54.7014921        |
| 7 Lighting                     | 0.05956                       | 0.068                 | 172,780.19               | 0                                     | 0                   | 0                  |
|                                |                               |                       |                          | GST                                   | 169.564281          | 169.564281         |
| <b>Balance Adjustment (\$)</b> |                               |                       |                          |                                       |                     | <b>3560.849902</b> |

Previously Submitted Month: **Section 3(3)(b)**

|                                |  |       |  |     |   |          |
|--------------------------------|--|-------|--|-----|---|----------|
| 1                              |  | 0.068 |  |     | 0 | 0        |
| 2                              |  | 0.068 |  |     | 0 | 0        |
| 3                              |  | 0.068 |  |     | 0 | 0        |
| 4                              |  | 0.068 |  |     | 0 | 0        |
| 5                              |  | 0.068 |  |     | 0 | 0        |
| 6                              |  | 0.068 |  |     | 0 | 0        |
|                                |  |       |  | GST | 0 | 0        |
| <b>Balance Adjustment (\$)</b> |  |       |  |     |   | <b>0</b> |

**C.) Deferral Account Balance (\$): Net Amount Payable by Province/(Payable by the Owner)**

**1611321.136** Section 3(3)(d)

*\*Instruction:  
For Recalculation, calculate the Actual Results for applicable month for each rate class based on final monthly rate and actual consumption, according to sections 3.3.b.(i) and (ii)*

**Document Review and Sign-off:**

Mark Kolesar, Chair  
Name and Title of AUC Signing Authority

July 30, 2019  
Date