



# 2016 YEARBOOK OF NATURAL GAS DISTRIBUTORS

PUBLISHED ON AUGUST 17, 2017



## Background on Statistical Yearbook of Natural Gas Distributors

The Ontario Energy Board (OEB) is the regulator of Ontario's natural gas and electricity sectors. In the natural gas sector, the OEB reviews and approves rates proposed to be charged to customers by regulated natural gas distributors.\* The OEB licenses all marketers who sell natural gas to residential and small commercial customers.

The OEB provides this Yearbook of Natural Gas Distributors to publish the financial and operational information collected from regulated natural gas distributors. It is compiled from data submitted by the distributors through the OEB's Reporting and Record-Keeping Requirements. This Yearbook is also available electronically on the OEB's website.

\*There are five small gas companies that are exempt from rate regulation under the OEB Act, as well as two municipally owned gas companies (City of Kitchener and City of Kingston) that are not rate regulated by the OEB.

<b>Table of Contents</b>	<b>Page</b>
Industry Metrics Snapshot	2
Balance Sheet	3
Balance Sheet Graphs	4
Income Statement	6
Income Statement Graphs	7
Financial Ratios	8
Financial Ratios Graphs	9
General Customer Information	12
General Customer Information Graphs	14
Service Quality Requirements	15
Cross-Reference to Uniform System Of Accounts	16

## Industry Metrics Snapshot

Financial Item / Metric	2012	2013	2014	2015	2016
<b>Operating Revenues (\$) <sup>1</sup></b>	3,921,109,847	4,465,720,681	5,181,639,409	5,355,148,952	4,629,905,581
<b>Net Income (\$)</b>	435,012,934	440,405,807	442,065,542	421,783,556	433,988,410
<b>Return on Shareholders' Equity (%) <sup>2</sup></b>	13.47%	12.26%	10.54%	9.31%	8.69%
<b>Operating Expenses (\$) <sup>3</sup></b>	2,741,956,240	3,260,477,939	3,944,081,790	4,133,742,026	3,336,245,690
<b>Depreciation Expense (\$)</b>	508,766,805	484,062,867	495,727,421	512,240,846	558,697,466
<b>Net Property, Plant and Equipment (\$)</b>	9,570,245,911	10,206,232,306	11,445,517,496	12,836,248,365	13,993,950,193
<b>Number of Customers <sup>4</sup></b>	3,413,710	3,458,834	3,489,238	3,540,089	3,598,700
<b>Gas Volumes (in million cubic meters) <sup>5</sup></b>	24,510	26,323	27,271	25,702	24,564

<sup>1</sup> Operating revenues include revenues derived from utility operations.

<sup>2</sup> ROE is calculated as the sum of gas utilities' net income divided by total shareholders' equity.

<sup>3</sup> Operating expenses includes gas cost, operating and maintenance expenses.

<sup>4</sup> Total customers include system gas customers and direct purchase customers of gas marketers licensed by the OEB.

<sup>5</sup> Annual gas volumes include quantities of gas sold to system gas customers and quantities of gas delivered to direct purchase customers.

**BALANCE SHEET**

**ASSETS**

**Current Assets**

Cash

Accounts Receivable

Gas Inventories

Other Current Assets

**Total Current Assets**

**Non-Current Assets**

Property, Plant & Equipment

Long-Term Investments

Deferred Charges

Other Non-Current Assets

**Total Non-Current Assets**

**TOTAL ASSETS**

**LIABILITIES & SHAREHOLDERS' EQUITY**

**Current Liabilities**

Bank Overdraft, Loans and Notes Payable

Accounts Payable & Accrued Liabilities

Other Current Liabilities

Income Taxes Payable

Current Portion of Long-Term Debt

**Total Current Liabilities**

**Non-Current Liabilities**

Long-Term Debt

Deferred Income Taxes

Other Non-Current Liabilities

**Total Non-Current Liabilities**

**TOTAL LIABILITIES**

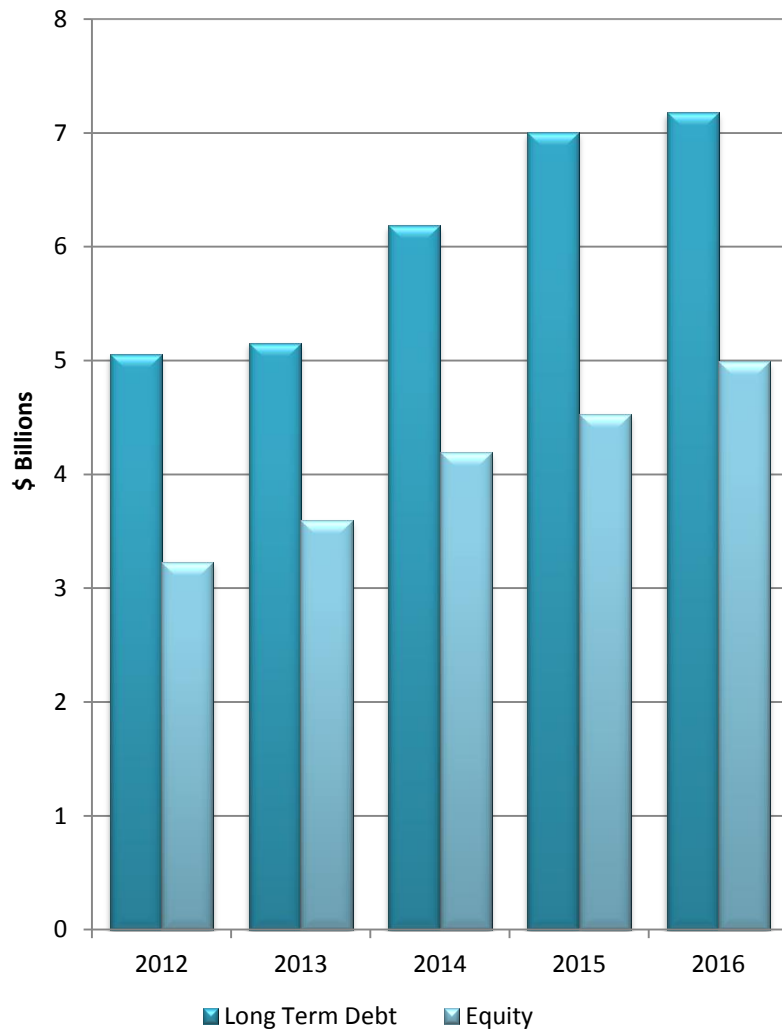
**SHAREHOLDERS' EQUITY**

Share Capital & Retained Earnings

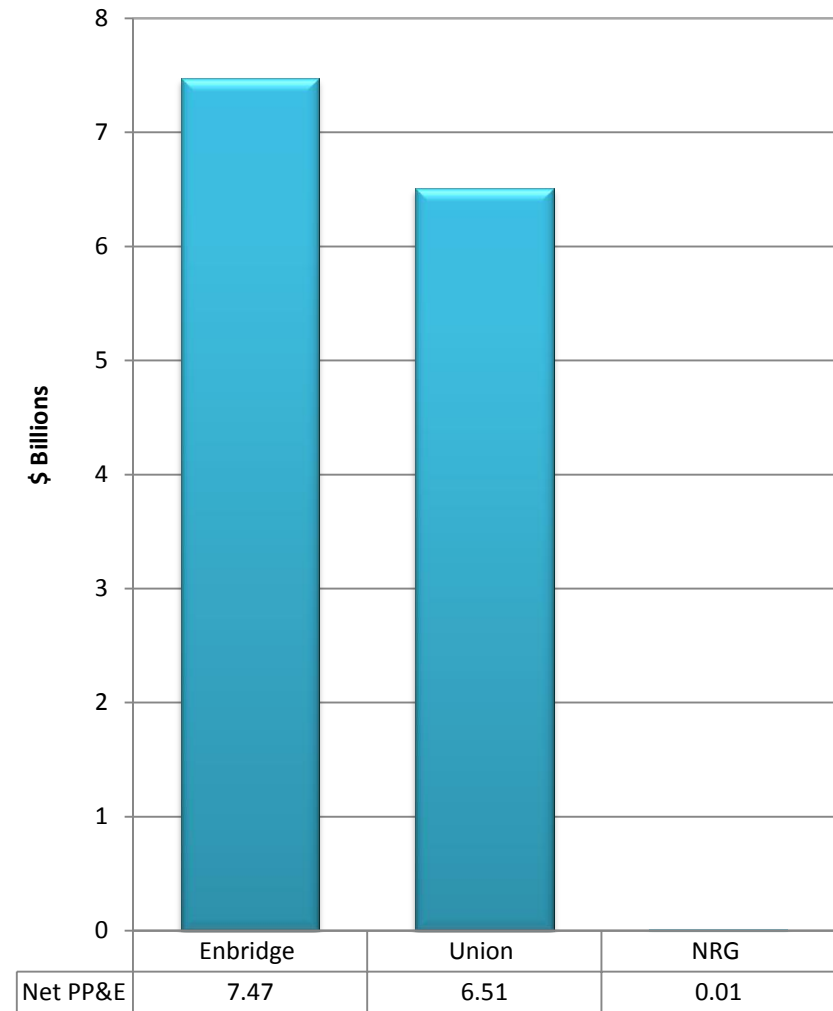
**LIABILITIES & SHAREHOLDERS' EQUITY**

	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>	<b>INDUSTRY</b>
	\$	\$	\$	\$
Cash	55,280,271	-	-	55,280,271
Accounts Receivable	503,910,589	710,634,521	926,181	1,215,471,291
Gas Inventories	508,944,627	221,524,426	-	730,469,053
Other Current Assets	122,198,413	35,660,990	72,919	157,932,322
<b>Total Current Assets</b>	<b>1,190,333,900</b>	<b>967,819,937</b>	<b>999,100</b>	<b>2,159,152,937</b>
Property, Plant & Equipment	7,473,331,813	6,507,919,225	12,699,155	13,993,950,193
Long-Term Investments	843,495,686	-	-	843,495,686
Deferred Charges	197,012,312	485,441,181	-	682,453,493
Other Non-Current Assets	381,489,698	11,847,180	1,832,079	395,168,957
<b>Total Non-Current Assets</b>	<b>8,895,329,509</b>	<b>7,005,207,586</b>	<b>14,531,234</b>	<b>15,915,068,329</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,085,663,409</b>	<b>\$ 7,973,027,523</b>	<b>\$ 15,530,334</b>	<b>\$ 18,074,221,266</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Bank Overdraft, Loans and Notes Payable	344,851,989	269,320,508	501,838	614,674,335
Accounts Payable & Accrued Liabilities	737,781,217	1,052,060,257	2,016,704	1,791,858,178
Other Current Liabilities	95,793,874	44,377,908	2,037	140,173,819
Income Taxes Payable	17,271,753	10,353,799	-	27,625,552
Current Portion of Long-Term Debt	499,803,037	125,000,000	-	624,803,037
<b>Total Current Liabilities</b>	<b>1,695,501,870</b>	<b>1,501,112,472</b>	<b>2,520,579</b>	<b>3,199,134,921</b>
<b>Non-Current Liabilities</b>				
Long-Term Debt	3,855,000,000	3,319,858,600	7,657,476	7,182,516,076
Deferred Income Taxes	-	515,823,745	(131,000)	515,692,745
Other Non-Current Liabilities	1,352,220,870	832,610,236	743,916	2,185,575,022
<b>Total Non-Current Liabilities</b>	<b>5,207,220,870</b>	<b>4,668,292,581</b>	<b>8,270,392</b>	<b>9,883,783,843</b>
<b>TOTAL LIABILITIES</b>	<b>6,902,722,740</b>	<b>6,169,405,053</b>	<b>10,790,972</b>	<b>13,082,918,764</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital & Retained Earnings	3,182,940,669	1,803,622,470	4,739,363	4,991,302,502
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$ 10,085,663,409</b>	<b>\$ 7,973,027,523</b>	<b>\$ 15,530,334</b>	<b>\$ 18,074,221,266</b>

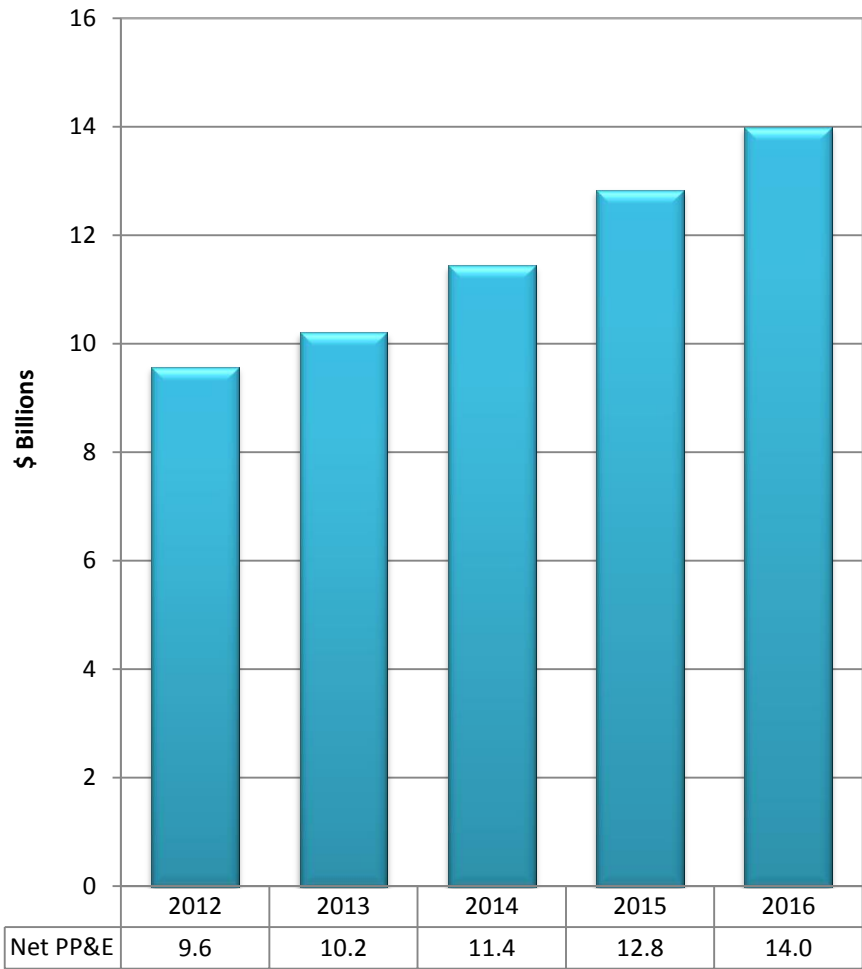
**Long-Term Debt & Equity**



**Net Property and Equipment by Distributor**



### Net Property Plant and Equipment

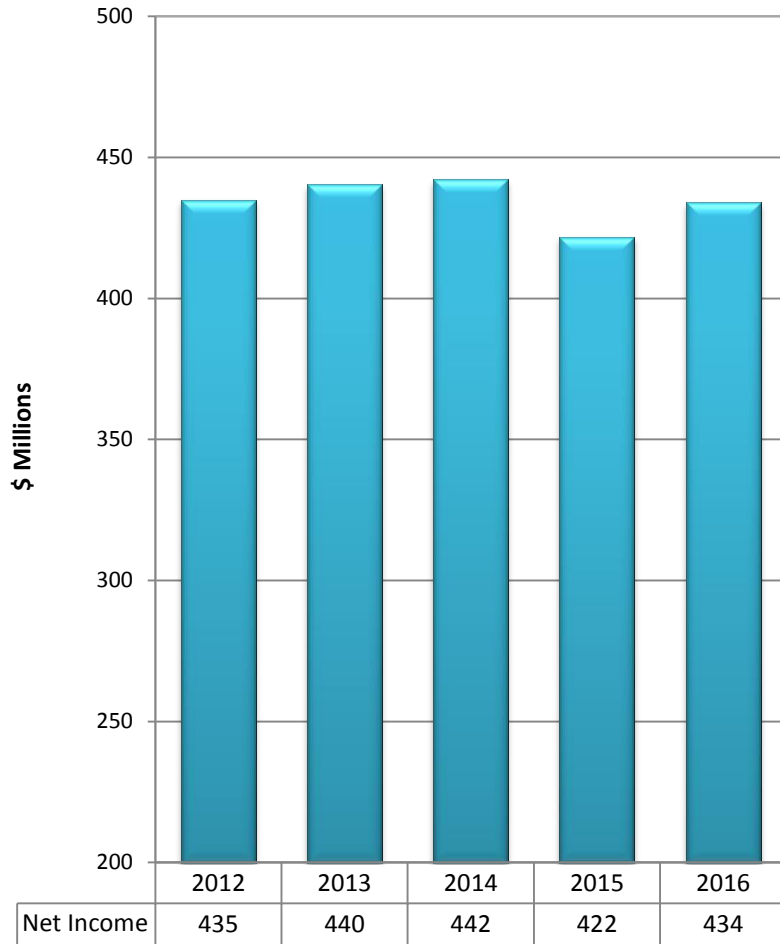


## INCOME STATEMENT

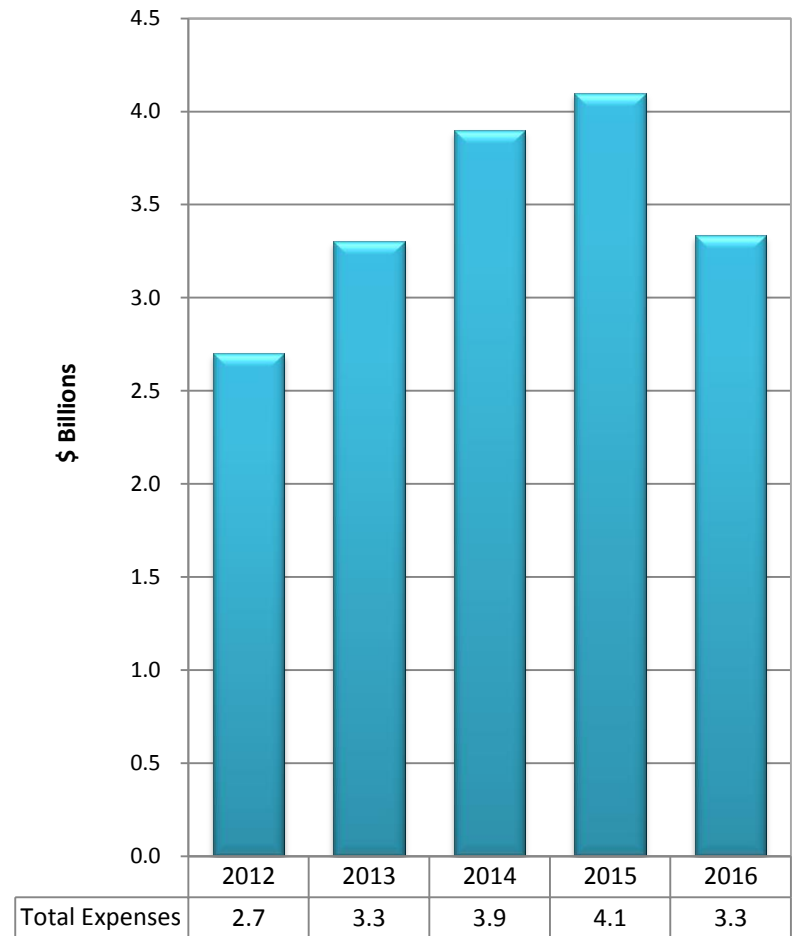
	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>	<b>INDUSTRY</b>
Revenues				
Operating Revenues	\$ 2,812,685,537	\$ 1,806,770,389	\$ 10,449,655	\$ 4,629,905,581
Other Income	86,774,198	33,241,716	15,114	120,031,028
	<b>2,899,459,735</b>	<b>1,840,012,105</b>	<b>10,464,769</b>	<b>4,749,936,609</b>
Expenses				
Gas Cost, Operating and Maintenance	2,123,230,699	1,204,512,317	8,502,674	3,336,245,690
Depreciation	318,506,197	239,079,791	1,111,478	558,697,466
Interest	221,298,096	169,776,506	162,489	391,237,091
	<b>2,663,034,992</b>	<b>1,613,368,614</b>	<b>9,776,641</b>	<b>4,286,180,247</b>
Income Before Income Taxes	<b>236,424,743</b>	<b>226,643,491</b>	<b>688,128</b>	<b>463,756,362</b>
Income Taxes	8,239,294	21,277,487	203,500	29,720,281
Net Income After Taxes	<b>228,185,449</b>	<b>205,366,004</b>	<b>484,628</b>	<b>434,036,081</b>
Extraordinary Items	-	-	(47,670)	(47,670)
<b>Net Income (Loss)</b>	<b>\$ 228,185,449</b>	<b>\$ 205,366,004</b>	<b>\$ 436,957</b>	<b>\$ 433,988,410</b>

Note: Reported results include certain non-utility activities that are not regulated by the Ontario Energy Board.

### Net Income



### Total Gas Cost, Operating and Maintenance Expense

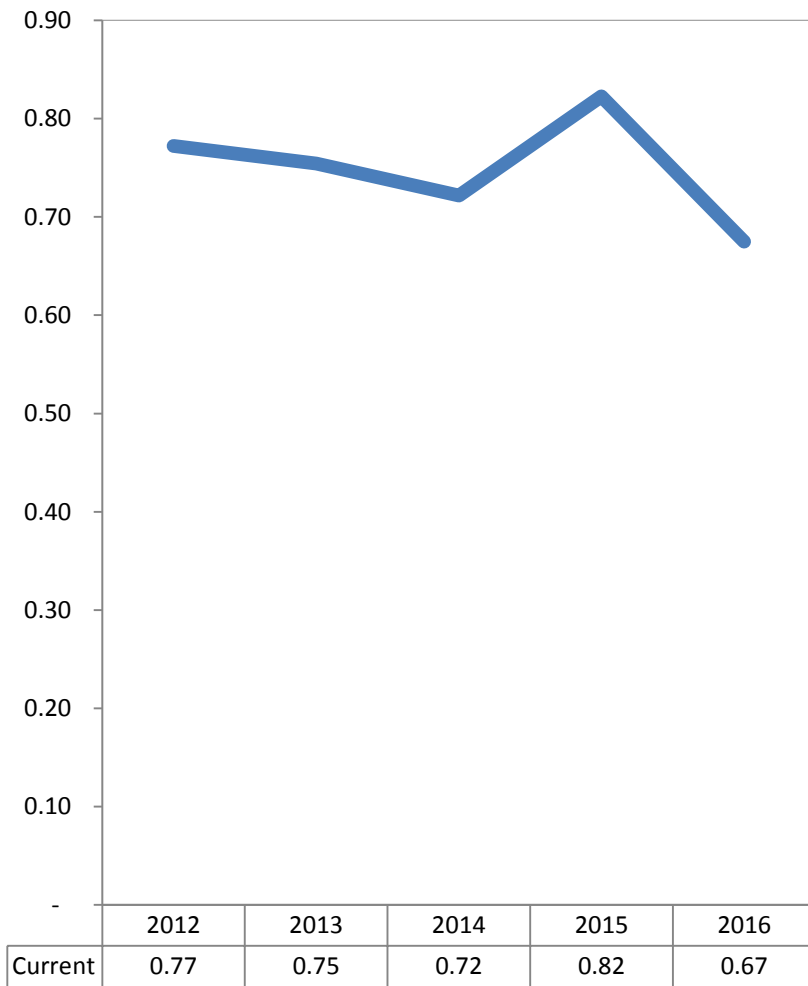




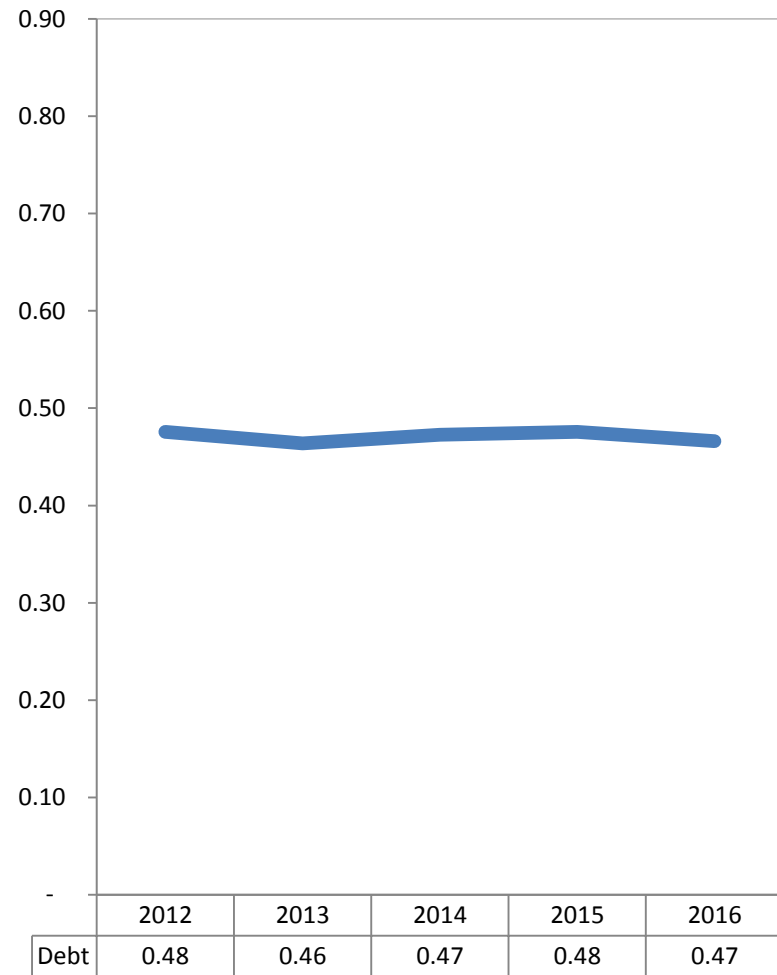
## FINANCIAL RATIOS

	ENBRIDGE	UNION	NRG	INDUSTRY
<b>Liquidity Ratios</b>				
Current Ratio (Current Assets/Current Liabilities)	0.70	0.64	0.40	0.67
<b>Leverage Ratios</b>				
Debt Ratio (Total Debt/Total Assets)	0.47	0.47	0.53	0.47
Debt to Equity Ratio (Total Debt/Shareholders' Equity)	1.48	2.06	1.72	1.69
Interest Coverage (EBIT/Interest Charges)	2.07	2.33	5.23	2.19
<b>Profitability Ratios</b>				
Financial Statement Return on Assets (Net Income/Total Assets)	2.26%	2.58%	2.81%	2.40%
Financial Statement Return on Equity (Net Income/Shareholders' Equity)	7.17%	11.39%	9.22%	8.69%

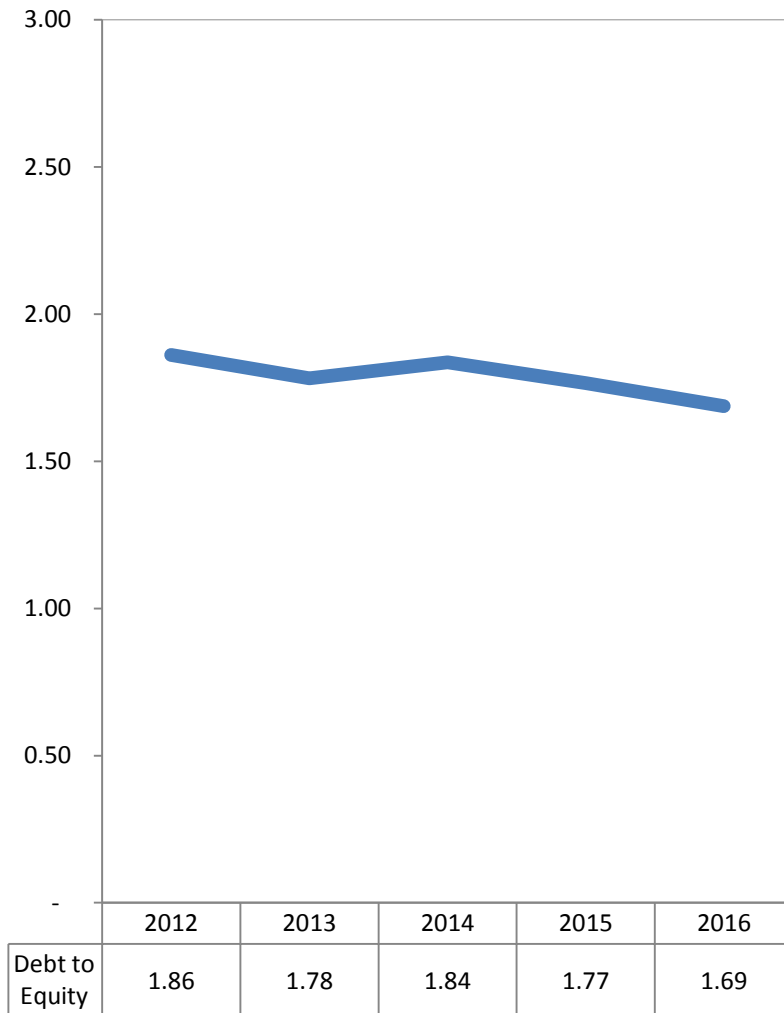
**Current Ratio  
(Current Assets/Current Liabilities)**



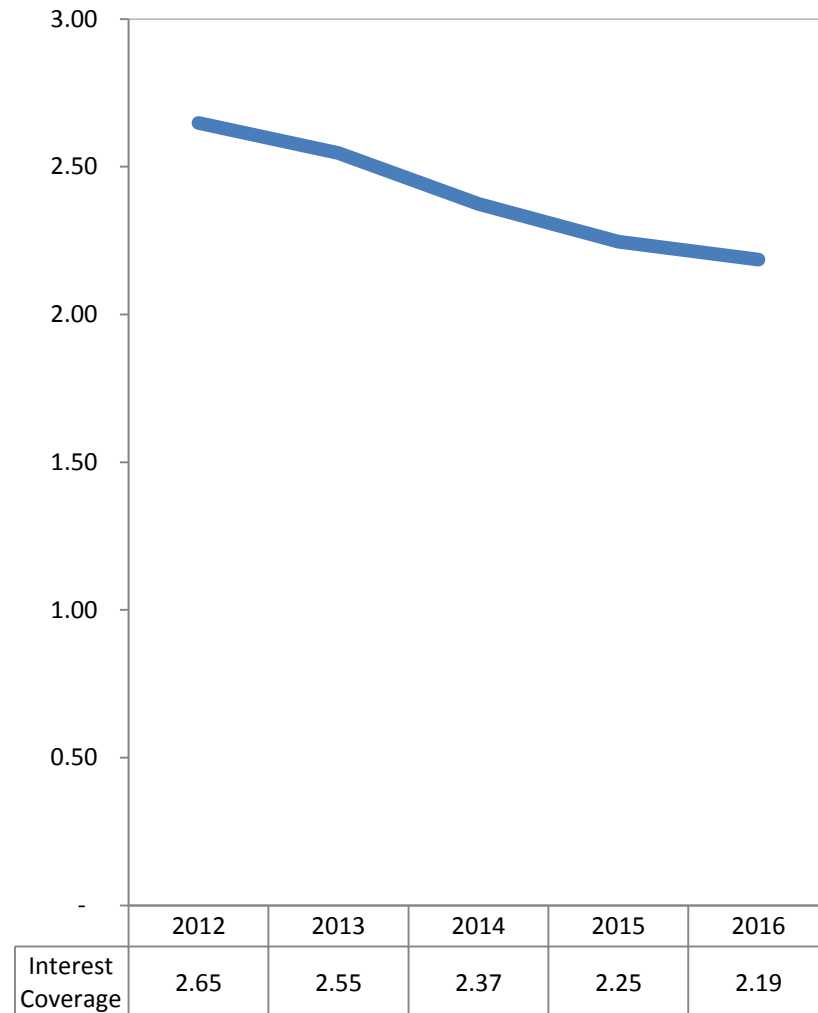
**Debt Ratio  
(Total Debt/Total Assets)**



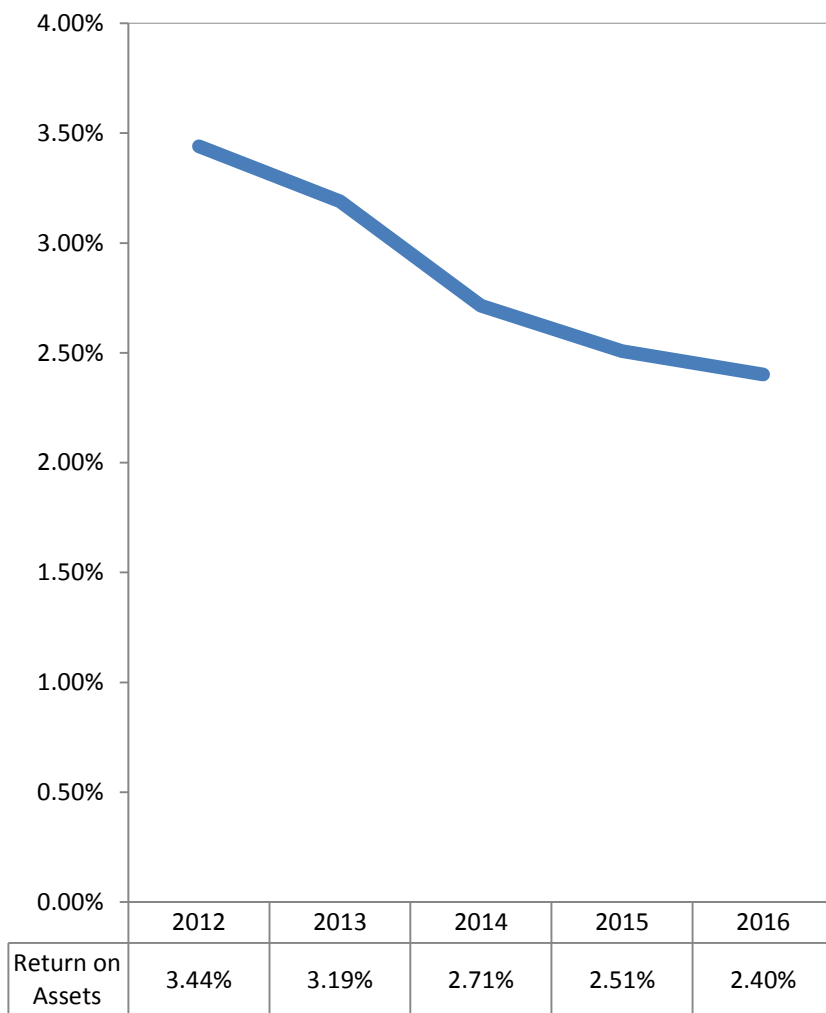
**Debt to Equity Ratio  
(Total Debt/Equity)**



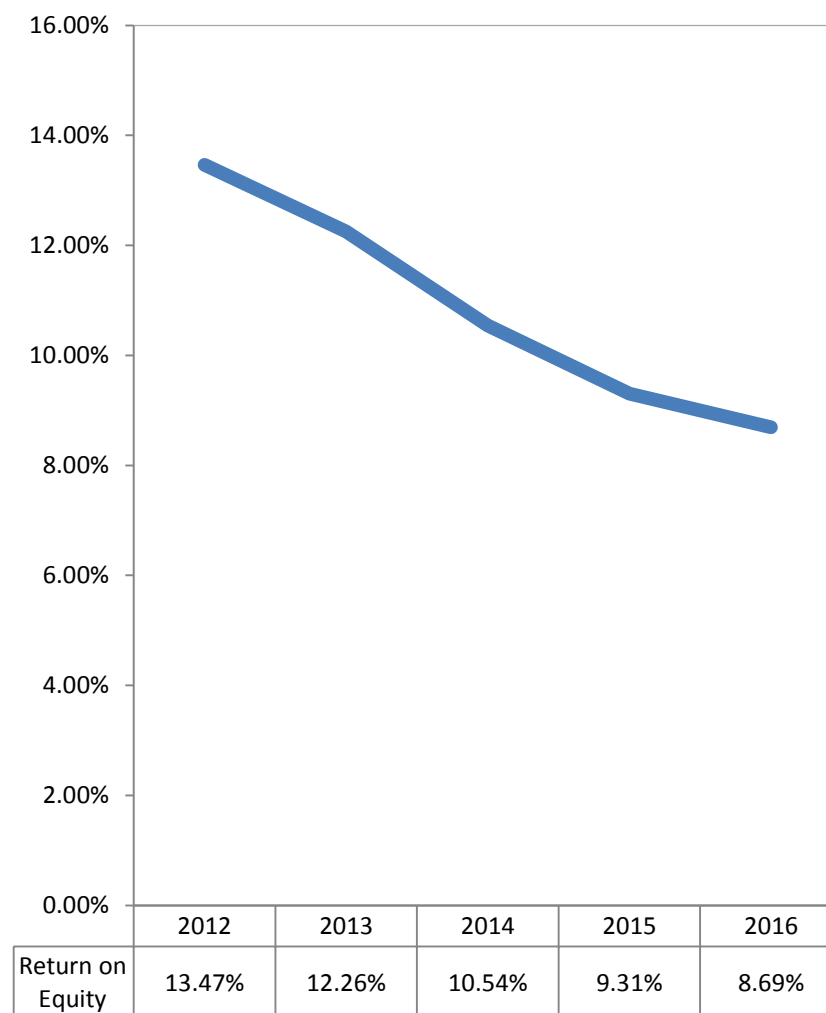
**Interest Coverage  
(EBIT/Interest Charges)**



**Financial Statement Return on Assets  
(Net Income/Total Assets)**



**Financial Statement Return on Equity  
(Net Income/Shareholders' Equity)**



## General Customer Information

### Total Number of Customers <sup>1</sup>

For year ended December 31

	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>	<b>INDUSTRY</b>
Residential	1,987,286	1,336,856	8,054	3,332,196
Non-Residential	143,979	121,864	661	266,504
	2,131,265	1,458,720	8,715	3,598,700

<sup>1</sup> Total number of customers include system gas customers who purchase gas supply from their utility and direct purchase customers of marketers licensed by the OEB.

### Total Volumes <sup>2</sup>

In million cubic meters

	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>	<b>INDUSTRY</b>
Residential	4,597	2,816	20	7,433
Non-Residential	6,528	10,559	45	17,131
	11,124	13,375	65	24,564

<sup>2</sup> Annual gas volumes include quantities of gas sold to system gas customers and quantities of gas delivered to direct purchase customers.

## General Customer Information

### System Gas Customers<sup>1</sup>

For year ended December 31

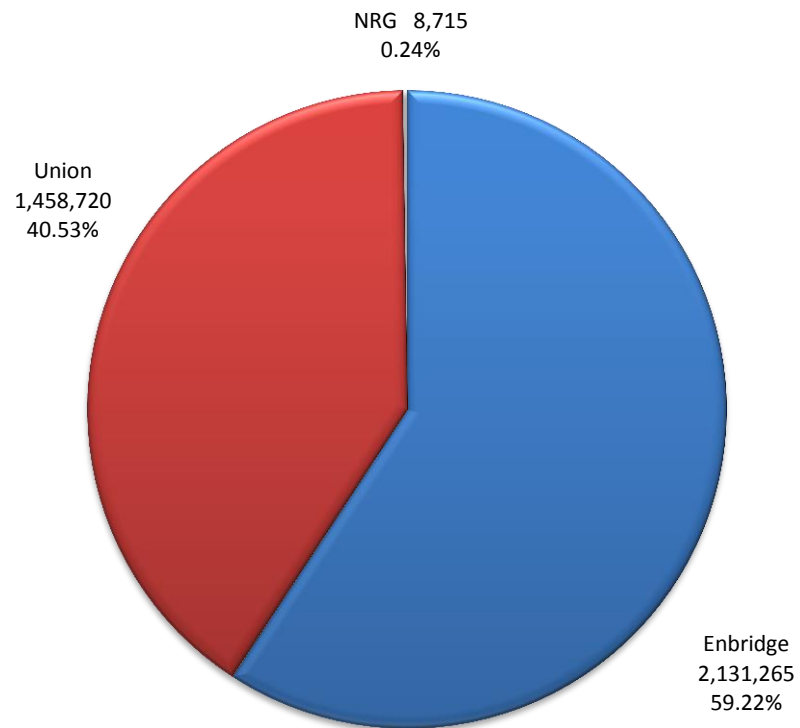
	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>	<b>INDUSTRY</b>
Low Volume	2,009,329	1,355,618	8,637	3,373,584
Large Volume	6,457	5,732	6	12,195

<sup>1</sup> System Gas Customers (subset of Total Customers) refer to customers who purchase gas supply from their utility.

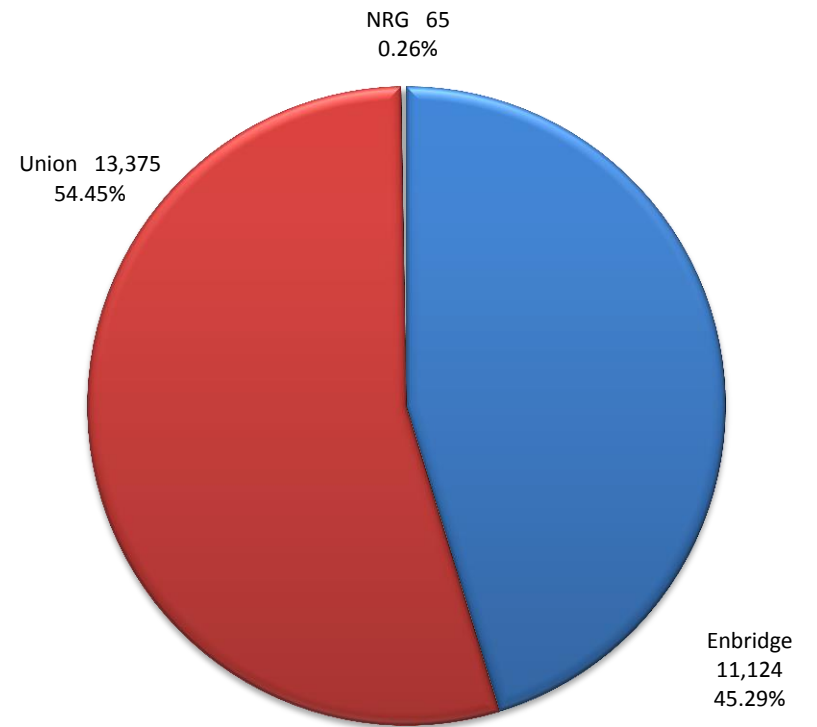
Low Volume Customer - Less than 50,000 cubic meters/year.

Large Volume Customer - Greater than 50,000 cubic meters/year.

**Number of Customers**



**Gas Volumes  
in million cubic meters**



**Service Quality Requirements**

	<b>ENBRIDGE</b>	<b>UNION</b>	<b>NRG</b>
<b>Call Answering Service Level</b> (OEB Minimum Standard: 75%)	82.40%	80.10%	98.50%
<b>Number of Calls Abandon Rate</b> (OEB Standard: not exceed 10%)	1.80%	3.60%	1.50%
<b>Meter Reading Performance</b> (OEB Standard: not exceed 0.5%)	0.40%	0.10%	0.00%
<b>Appointments Met within Designated Time Period</b> (OEB Minimum Standard: 85%)	94.80%	98.90%	99.30%
<b>Time to Reschedule Missed Appointments</b> (OEB Standard: 100%)	94.20%	99.80%	100.00%
<b>Emergency Calls Responded within One Hour</b> (OEB Minimum Standard: 90%)	96.10%	98.80%	93.20%
<b>Number of Days to Provide a Written Response</b> (OEB Minimum Standard: 80%)	95.50%	100.00%	100.00%
<b>Number of Days to Reconnect a Customer</b> (OEB Minimum Standard: 85%)	93.70%	86.20%	91.70%



## **Cross-Reference to Uniform System of Accounts for Gas Utilities**

<b>Item</b>	<b>Aggregation of Trial Balance (RRR section 2.1.7) accounts</b>
<b>Cash</b>	Accounts 130-131 if debit balance
<b>Accounts Receivable - Net</b>	Accounts 132+140-147
<b>Gas Inventories</b>	Accounts 152+153
<b>Other Current Assets</b>	Accounts 150+151+160-163 + 256 if debit balance
<b>Property, Plant &amp; Equipment</b>	Accounts 100-116
<b>Long Term Investments</b>	Accounts 120-123
<b>Deferred Charges</b>	Accounts 170-179
<b>Other Non-Current Assets</b>	Accounts 180-183 + 276 if debit balance
<b>Bank Overdraft, Loans and Notes Payable</b>	Accounts 130-131 if credit balance + 250
<b>Accounts Payable &amp; Accrued Liabilities</b>	Accounts 251+252+254+259
<b>Other Current Liabilities</b>	Accounts 253+255+257+260+263
<b>Income Taxes Payable</b>	Account 256 if credit balance
<b>Current Portion of Long-term Loan</b>	Accounts 258+262
<b>Long-term Debt</b>	Accounts 220-249
<b>Total Debt</b>	Accounts 130-131 if credit balance + 220-249 + 250 + 258 + 262
<b>Deferred Income Taxes</b>	Account 276 if credit balance
<b>Other Non-Current Liabilities</b>	Accounts 270+271+278+279+290
<b>Share Capital Retained Earnings</b>	Accounts 200-216
<b>Operating Revenues</b>	Account 300
<b>Other Income</b>	Accounts 307+308+310+312-316+319+324+325+333
<b>Gas Cost, Operating and Maintenance Expenses</b>	Accounts 301+302+305+311+321+326-331
<b>Depreciation Expense</b>	Accounts 303+304
<b>Interest Expense</b>	Accounts 320+322+323
<b>Income Taxes (Current and Deferred)</b>	Account 306
<b>Extraordinary Items</b>	Accounts 338-339