



2017

YEARBOOK OF NATURAL GAS DISTRIBUTORS

PUBLISHED ON AUGUST 23, 2018



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.**

Table of Contents	Page
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

*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.

**The information published for Natural Resource Gas Limited (NRG) is reported as of September 30, 2017 year-end.

Industry Metrics Snapshot

Financial Item / Metric	2013	2014	2015	2016	2017
Operating Revenues (\$) ¹	4,465,720,681	5,181,639,409	5,355,148,952	4,629,905,581	5,446,016,294
Net Income (\$)	440,405,807	442,065,542	421,783,556	433,988,410	481,665,263
Return on Shareholders' Equity (%) ²	12.26%	10.54%	9.31%	8.69%	8.93%
Operating Expenses (\$) ³	3,260,477,939	3,944,081,790	4,133,742,026	3,336,245,690	4,050,734,331
Depreciation Expense (\$)	484,062,867	495,727,421	512,240,846	558,697,466	594,168,499
Net Property, Plant and Equipment (\$)	10,206,232,306	11,445,517,496	12,836,248,365	13,993,950,193	15,312,793,338
Number of Customers ⁴	3,458,834	3,489,238	3,540,089	3,598,700	3,653,986
Gas Volumes (in million cubic meters) ⁵	26,323	27,271	25,702	24,564	24,533

¹ Operating revenues include revenues derived from utility operations.

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

³ Operating expenses includes gas cost, operating and maintenance expenses.

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

⁵ 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

	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Cash	\$ 63,604,747	\$ -	\$ -	\$ 63,604,747
Accounts Receivable	614,530,521	668,474,829	872,401	1,283,877,752
Gas Inventories	491,848,820	139,518,349	-	631,367,169
Other Current Assets	190,331,850	33,182,511	1,333,361	224,847,722
Total Current Assets	1,360,315,938	841,175,690	2,205,762	2,203,697,390

Non-Current Assets

Property, Plant & Equipment	8,018,688,944	7,281,497,866	12,606,528	15,312,793,338
Long-Term Investments	843,495,686	-	-	843,495,686
Deferred Charges	148,645,192	530,489,870	-	679,135,061
Other Non-Current Assets	467,986,046	11,847,180	1,381,298	481,214,524
Total Non-Current Assets	9,478,815,868	7,823,834,916	13,987,827	17,316,638,610

TOTAL ASSETS

\$ 10,839,131,806	\$ 8,665,010,605	\$ 16,193,588	\$ 19,520,336,000
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LIABILITIES & SHAREHOLDERS' EQUITY

Current Liabilities

Bank Overdraft, Loans and Notes Payable	959,352,783	453,284,053	965,248	1,413,602,084
Accounts Payable & Accrued Liabilities	599,272,655	886,591,680	2,369,520	1,488,233,855
Other Current Liabilities	36,060,104	44,271,631	-	80,331,735
Income Taxes Payable	26,924,438	8,384,920	206,050	35,515,409
Current Portion of Long-Term Debt	-	400,000,000	-	400,000,000
Total Current Liabilities	1,621,609,980	1,792,532,284	3,540,819	3,417,683,083

Non-Current Liabilities

Long-Term Debt	4,155,000,000	3,419,859,710	6,572,253	7,581,431,963
Deferred Income Taxes	-	563,504,685	409,000	563,913,685
Other Non-Current Liabilities	1,733,608,663	831,610,542	574,498	2,565,793,704
Total Non-Current Liabilities	5,888,608,663	4,814,974,937	7,555,751	10,711,139,352

TOTAL LIABILITIES

7,510,218,644	6,607,507,221	11,096,570	14,128,822,434
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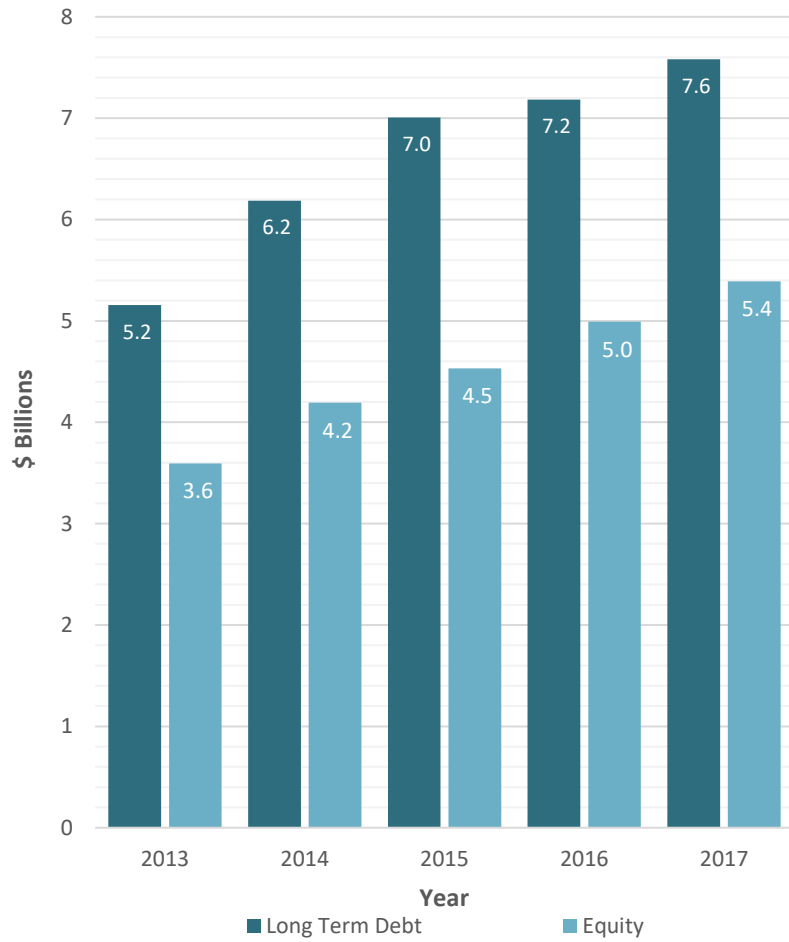
SHAREHOLDERS' EQUITY

Share Capital & Retained Earnings	3,328,913,162	2,057,503,385	5,097,018	5,391,513,565
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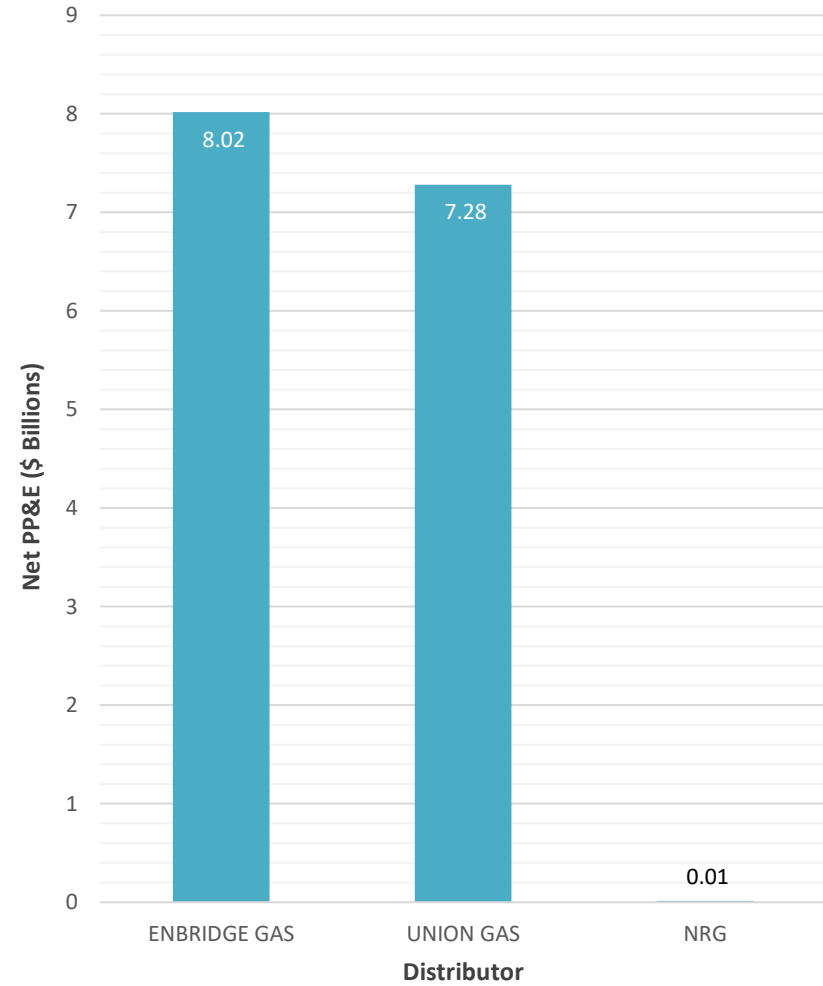
LIABILITIES & SHAREHOLDERS' EQUITY

\$ 10,839,131,806	\$ 8,665,010,605	\$ 16,193,588	\$ 19,520,336,000
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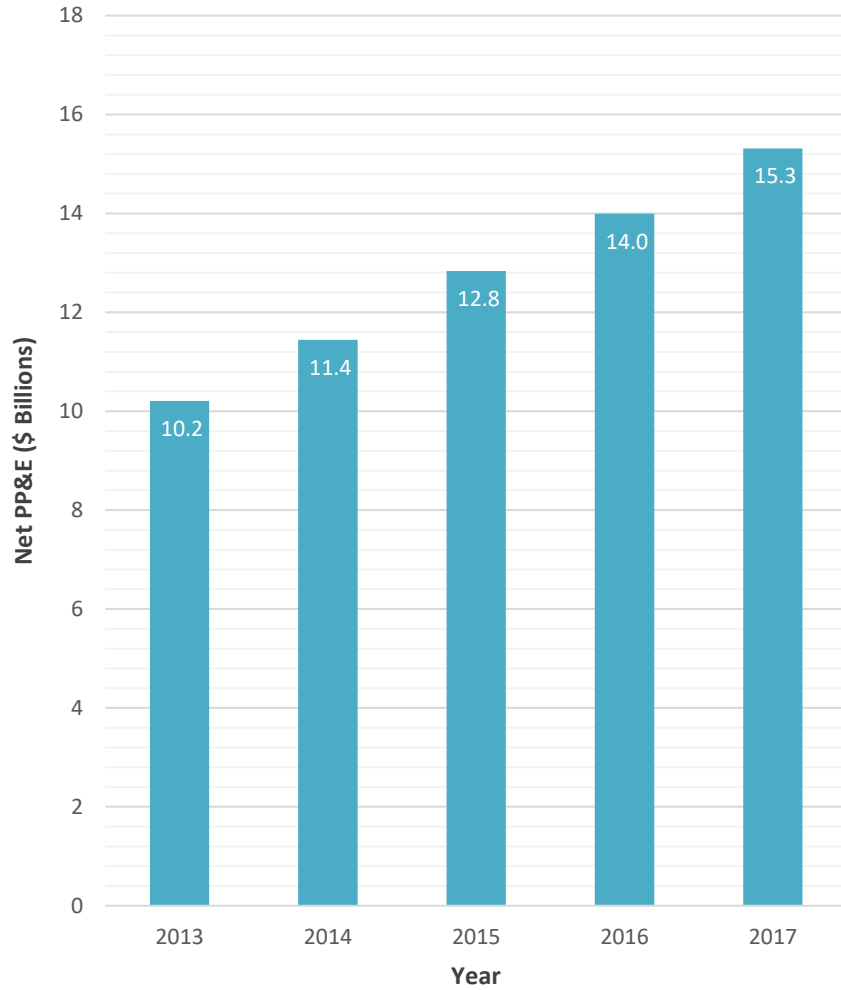
Long-Term Debt & Equity



Net Property Plant and Equipment by
Distributor



Net Property Plant and Equipment

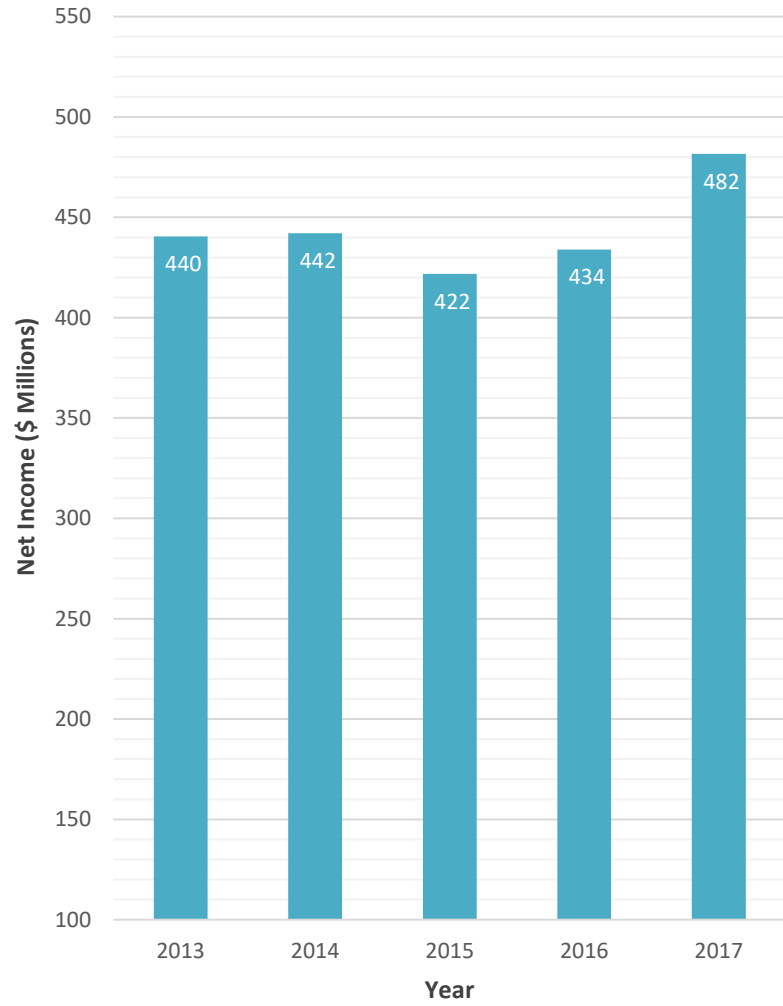


INCOME STATEMENT

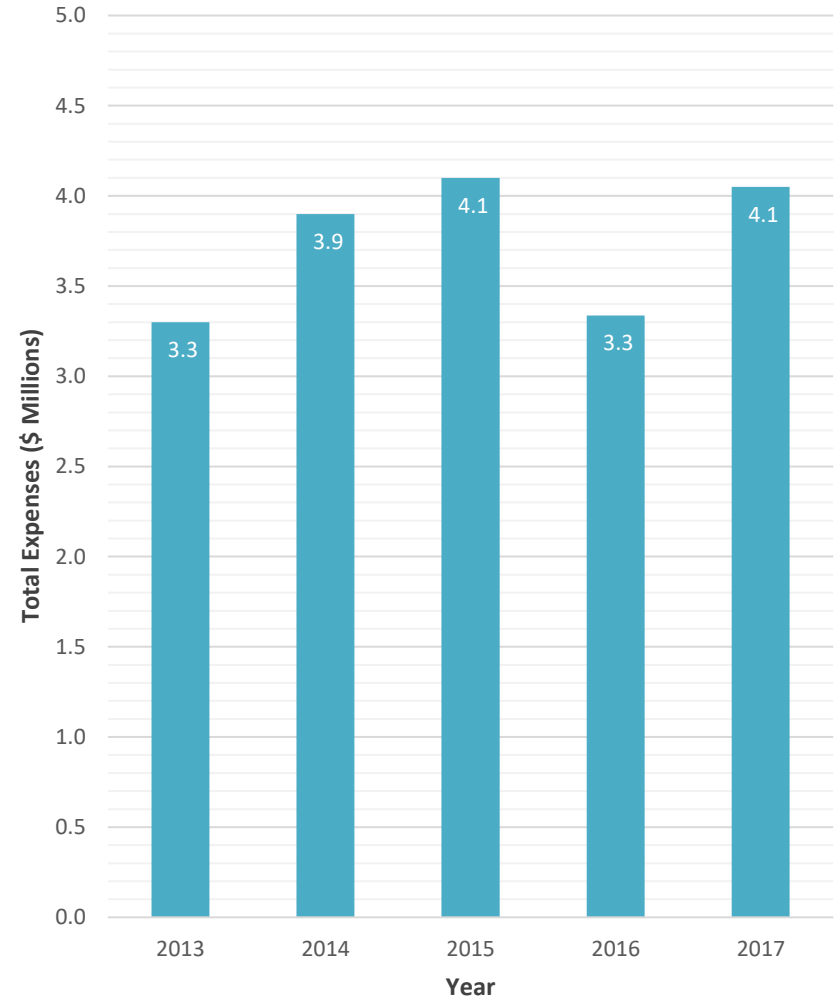
	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Revenues				
Operating Revenues	\$ 3,229,590,920	\$ 2,205,390,806	\$ 11,034,568	\$ 5,446,016,294
Other Income	68,966,510	30,994,274	10,075	99,970,860
	3,298,557,430	2,236,385,081	11,044,643	5,545,987,153
Expenses				
Gas Cost, Operating and Maintenance	2,498,403,042	1,543,368,656	8,962,634	4,050,734,331
Depreciation	327,787,904	265,117,079	1,263,516	594,168,499
Interest	241,051,916	177,110,489	210,842	418,373,247
	3,067,242,862	1,985,596,224	10,436,991	5,063,276,077
Income Before Income Taxes	231,314,568	250,788,856	607,652	482,711,076
Income Taxes	(14,825,121)	15,620,938	40,000	835,817
Net Income After Taxes	246,139,689	235,167,918	567,652	481,875,259
Extraordinary Items	-	-	(209,996)	(209,996)
Net Income (Loss)	\$ 246,139,689	\$ 235,167,918	\$ 357,656	\$ 481,665,263

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

Net Income



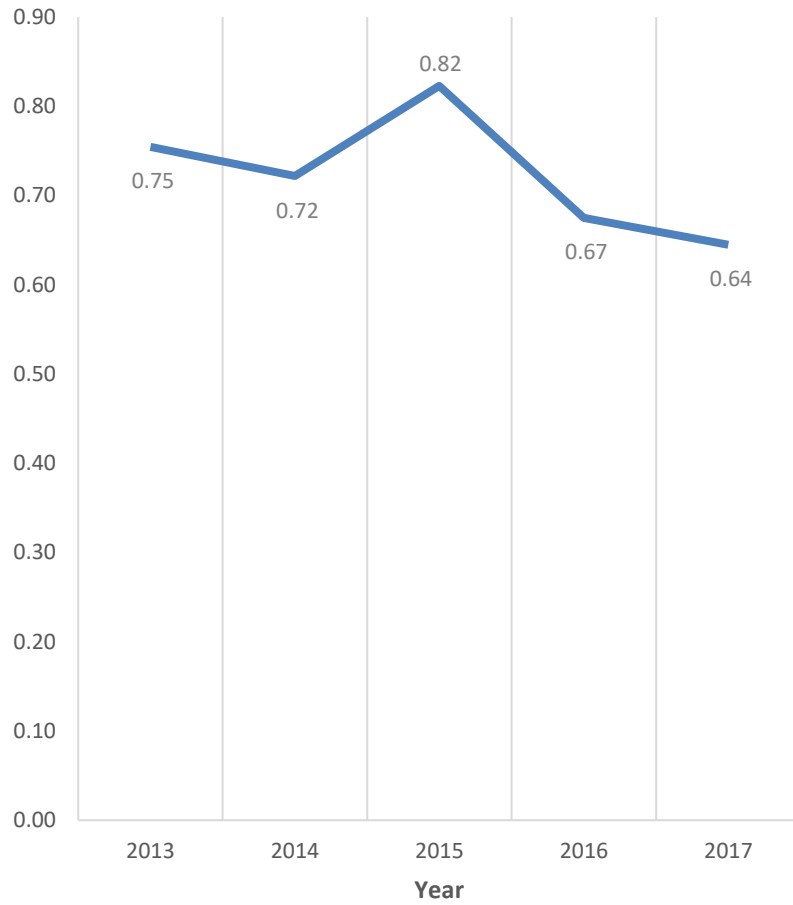
Total Gas Cost, Operating and Maintenance
Expense



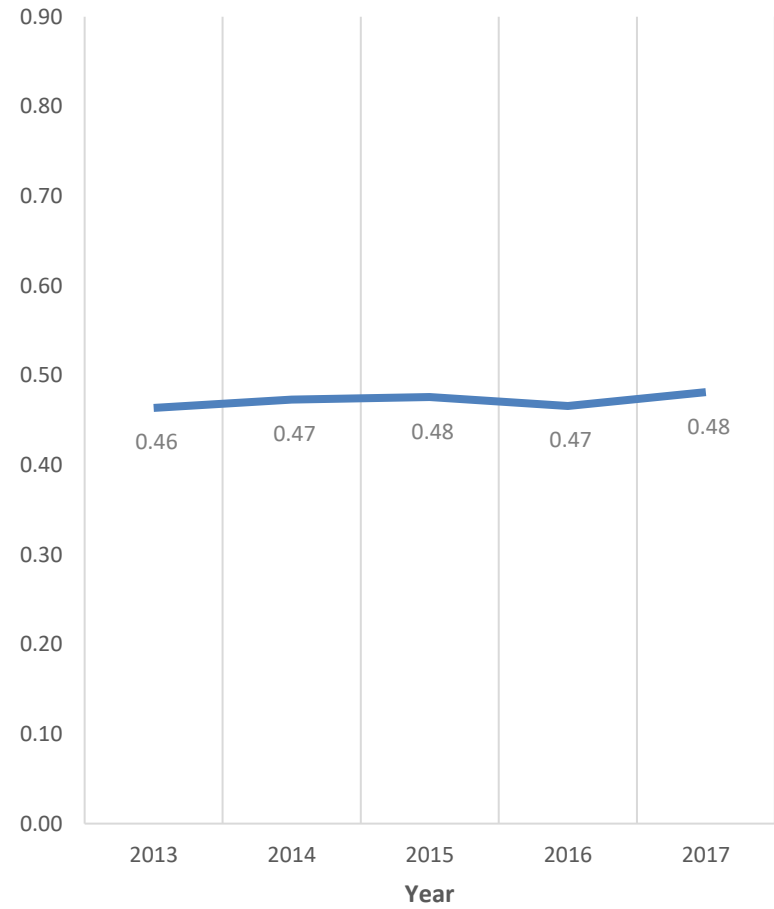
FINANCIAL RATIOS

	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Liquidity Ratios				
Current Ratio (Current Assets/Current Liabilities)	0.84	0.47	0.62	0.64
Leverage Ratios				
Debt Ratio (Total Debt/Total Assets)	0.47	0.49	0.47	0.48
Debt to Equity Ratio (Total Debt/Shareholders' Equity)	1.54	2.08	1.48	1.74
Interest Coverage (EBIT/Interest Charges)	1.96	2.42	3.88	2.15
Profitability Ratios				
Financial Statement Return on Assets (Net Income/Total Assets)	2.27%	2.71%	2.21%	2.47%
Financial Statement Return on Equity (Net Income/Shareholders' Equity)	7.39%	11.43%	7.02%	8.93%

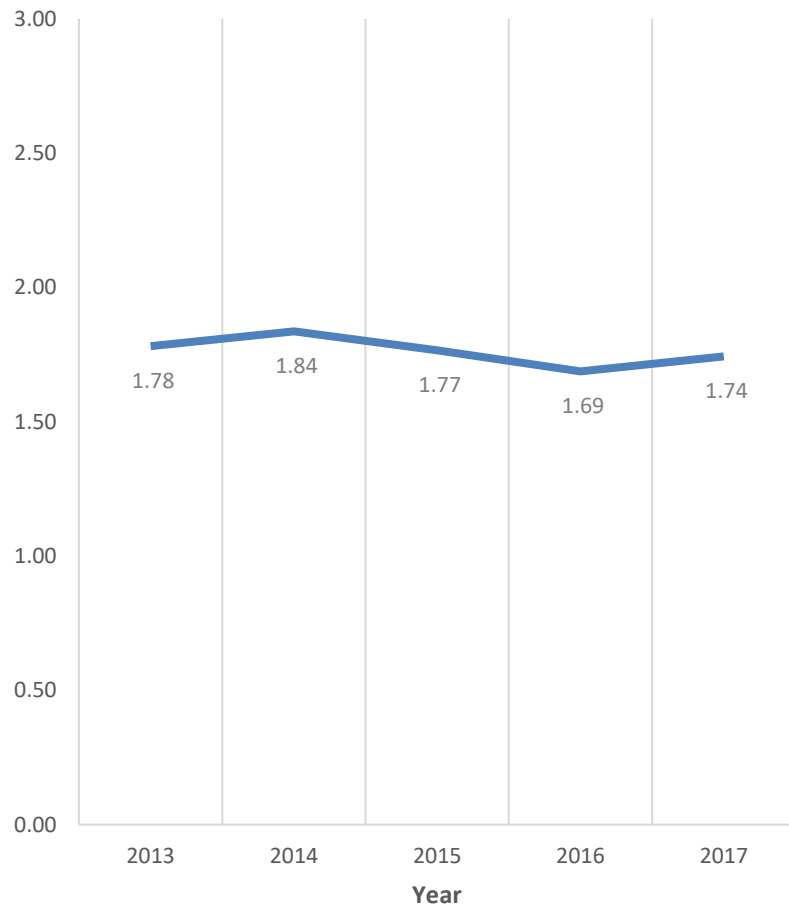
Current Ratio
(Current Assets/Current Liabilities)



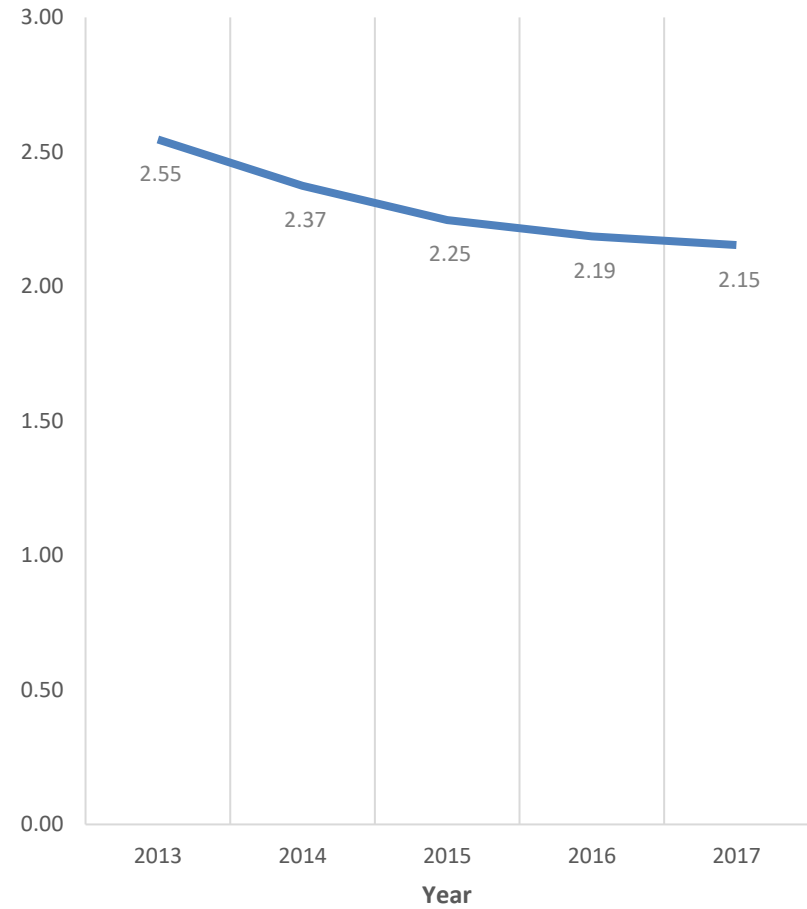
Debt Ratio
(Total Debt/Total Assets)



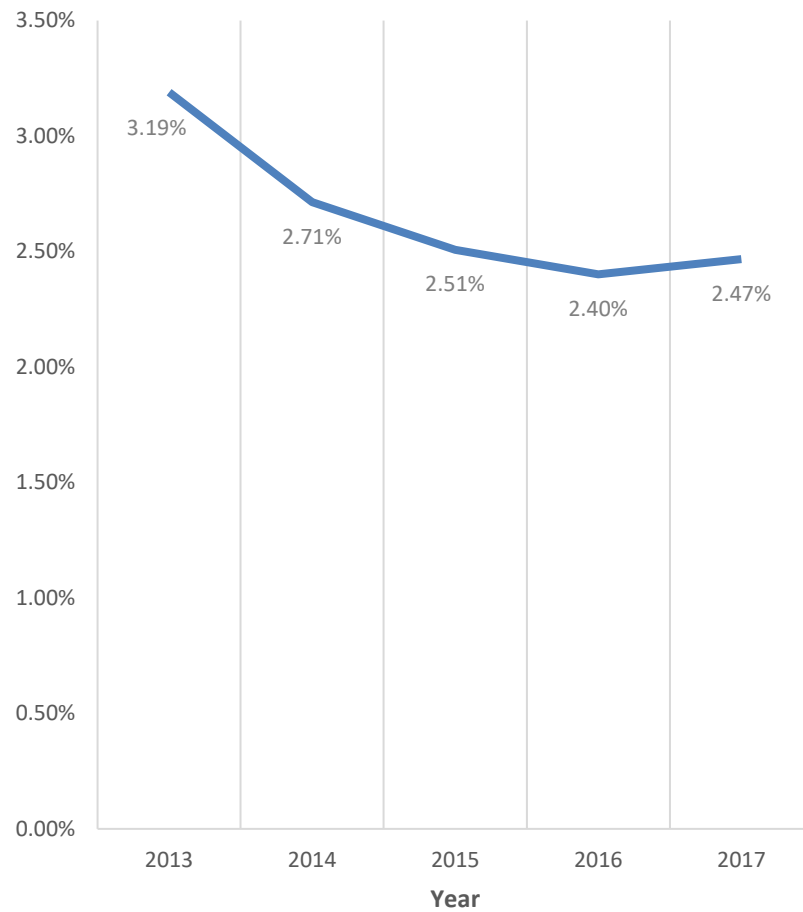
Debt to Equity Ratio
(Total Debt/Equity)



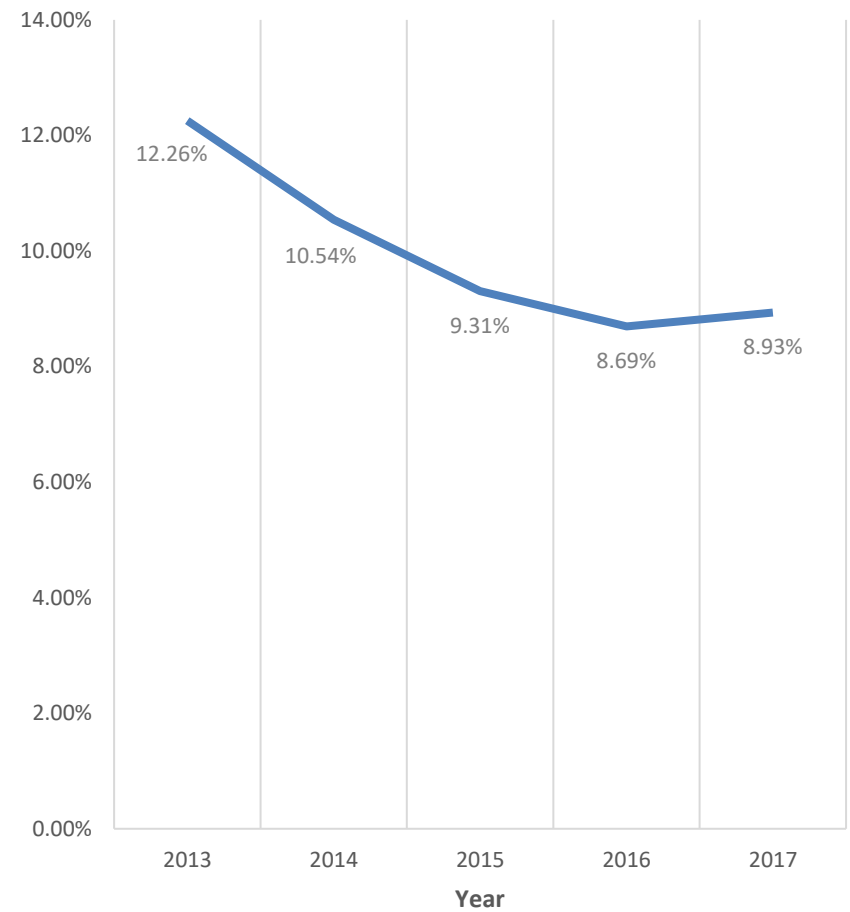
Interest Coverage
(EBIT/Interest Charges)



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



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



General Customer Information

Total Number of Customers¹

For year ended December 31

	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Residential	2,161,410	1,353,104	8,817	3,523,331
Non-Residential	8,805	121,840	10	130,655
	2,170,215	1,474,944	8,827	3,653,986

¹ 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 Volumes²

In million cubic meters

	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Residential	4,871.2	2,947.3	20.6	7,839
Non-Residential	6,755.9	9,895.2	42.8	16,694
	11,627.1	12,842.5	63.4	24,533

² 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 Customers¹

For year ended December 31

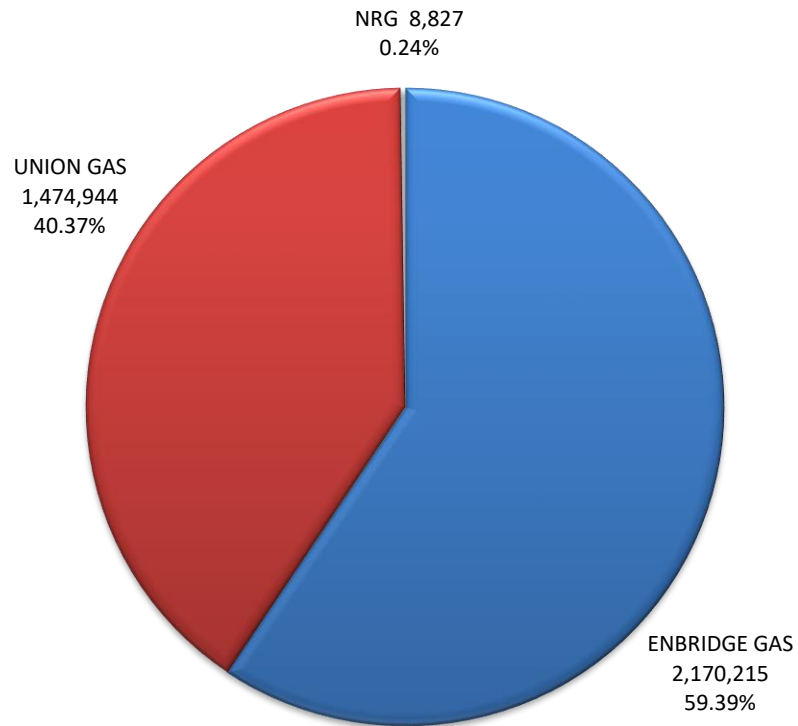
	ENBRIDGE GAS	UNION GAS	NRG	INDUSTRY
Low Volume	2,075,913	1,388,834	8,749	3,473,496
Large Volume	7,167	5,713	6	12,886

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

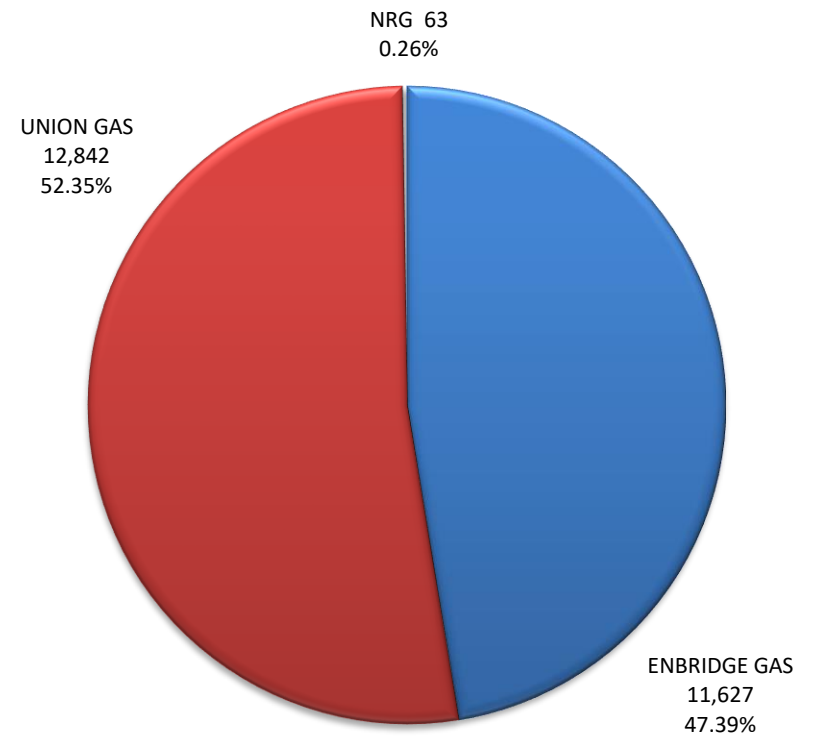
Low Volume Customer - Less than 50,000 cubic meters/year.

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

Number of Customers



**Gas Volumes
in million cubic meters**



Service Quality Requirements

	ENBRIDGE GAS	UNION GAS	NRG
Call Answering Service Level (OEB Minimum Standard: 75%)	82.50%	79.20%	98.80%
Number of Calls Abandon Rate (OEB Standard: not exceed 10%)	1.80%	3.40%	1.20%
Meter Reading Performance (OEB Standard: not exceed 0.5%)	0.50%	0.10%	0.00%
Appointments Met within Designated Time Period (OEB Minimum Standard: 85%)	94.30%	99.00%	99.10%
Time to Reschedule Missed Appointments (OEB Standard: 100%)	96.80%	99.90%	100.00%
Emergency Calls Responded within One Hour (OEB Minimum Standard: 90%)	96.80%	99.00%	92.30%
Number of Days to Provide a Written Response (OEB Minimum Standard: 80%)	100.00%	100.00%	100.00%
Number of Days to Reconnect a Customer (OEB Minimum Standard: 85%)	96.20%	90.50%	100.00%

Cross-Reference to Uniform System of Accounts for Gas Utilities

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

SERVICE QUALITY REQUIREMENTS

Call Answering Service Level is the percentage of calls to the general inquiry phone number, including IVR calls, that are answered within 30 seconds. Must be met 75% of the time.

Calls Abandon Rate is the percentage of callers that hang up before they reach a live operator. Must be less than 10%.

Meter Reading Performance is the percentage of meters with no read for four consecutive months. Must be less than 0.5%.

Appointments Met Within the Designated Time Period is the percentage of appointments, including meter related or other customer related work, that are met within their 4 hour scheduled time/date as arranged with the customer. Must be met 85% of the time.

Time to Reschedule a Missed Appointment is the percentage of missed appointments that the customer is contacted within 2 hours of the end of the original appointment time to reschedule the appointment. Must be met 100% of the time.

Emergency Calls Responded to Within One Hour is the percentage of customers that received an on-site response within 60 minutes of their emergency call reaching a live person. Must be met 90% of the time.

Number of Days to Provide a Written Response is the percentage of customers that receive a written response within 10 days of the distributor receiving the complaint. Must be met 80% of the time.

Number of Days to Reconnect a Customer is the percentage of customers that are reconnected within 2 business days of bringing their accounts into good standing. Must be met 85% of the time.