



Ontario  
Energy  
Board

# YEARBOOK OF NATURAL GAS DISTRIBUTORS

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2019/20



## 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.

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\*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.

## Key Metrics Overview of Ontario Natural Gas Distributors' Sector of Electricity Distributors

### Industry Metrics Snapshot

Financial Item / Metric	2015	2016	2017	2018	2019
Operating Revenues (\$) <sup>1</sup>	5,355,148,952	4,629,905,581	5,446,016,294	5,388,183,841	<b>5,088,601,602</b>
Net Income (\$)	421,783,556	433,988,410	481,665,263	565,379,399	<b>557,150,806</b>
Return on Shareholders' Equity (%) <sup>2</sup>	9.31%	8.69%	8.93%	11.45%	<b>5.57%</b>
Operating Expenses (\$) <sup>3</sup>	4,133,742,026	3,336,245,690	4,050,734,331	3,874,781,299	<b>3,458,134,993</b>
Depreciation Expense (\$)	512,240,846	558,697,466	594,168,499	608,808,669	<b>638,468,356</b>
Net Property, Plant and Equipment (\$)	12,836,248,365	13,993,950,193	15,312,793,338	15,037,654,293	<b>15,433,279,142</b>
Number of Customers <sup>4</sup>	3,540,089	3,598,700	3,653,986	3,701,403	<b>3,717,399</b>
Gas Volumes (in million cubic meters) <sup>5</sup>	25,702	24,564	24,533	26,088	<b>26,704</b>

<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  
as of  
December 31****Current Assets**

	Enbridge Gas	EPCOR Natural Gas	Industry
	\$	\$	\$
Cash	77,330,562	943,569	78,274,131
Accounts Receivable	1,065,924,852	3,238,034	1,069,162,886
Gas Inventories	628,671,286	-	628,671,286
Other Current Assets	299,519,925	89,993	299,609,918
<b>Total Current Assets</b>	<b>2,071,446,625</b>	<b>4,271,596</b>	<b>2,075,718,221</b>

**Non-Current Assets**

Property, Plant & Equipment	15,417,544,191	15,734,951	15,433,279,142
Long-Term Investments	2	(2,561,476)	(2,561,474)
Deferred Charges	2,124,765,481	1,110,948	2,125,876,429
Other Non-Current Assets	5,066,749,183	(381,016)	5,066,368,167
<b>Total Non-Current Assets</b>	<b>22,609,058,857</b>	<b>13,903,407</b>	<b>22,622,962,264</b>

**Total Assets**

<b>24,680,505,482</b>	<b>18,175,004</b>	<b>24,698,680,486</b>
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**Current Liabilities**

Bank Overdraft, Loans and Notes Payable	897,101,001	-	897,101,001
Accounts Payable & Accrued Liabilities	1,296,065,217	2,179,582	1,298,244,799
Other Current Liabilities	72,012,897	-	72,012,897
Income Taxes Payable	113,564,951	611,494	114,176,445
Current Portion of Long-Term Debt	401,054,106	-	401,054,106
<b>Total Current Liabilities</b>	<b>2,779,798,172</b>	<b>2,791,076</b>	<b>2,782,589,248</b>

**Non-Current Liabilities**

Long-Term Debt	8,505,333,606	8,660,000	8,513,993,606
Deferred Income Taxes	1,433,060,602	-	1,433,060,602
Other Non-Current Liabilities	1,957,915,165	-	1,957,915,165
<b>Total Non-Current Liabilities</b>	<b>11,896,309,373</b>	<b>8,660,000</b>	<b>11,904,969,373</b>

**Total Liabilities**

<b>14,676,107,545</b>	<b>11,451,076</b>	<b>14,687,558,621</b>
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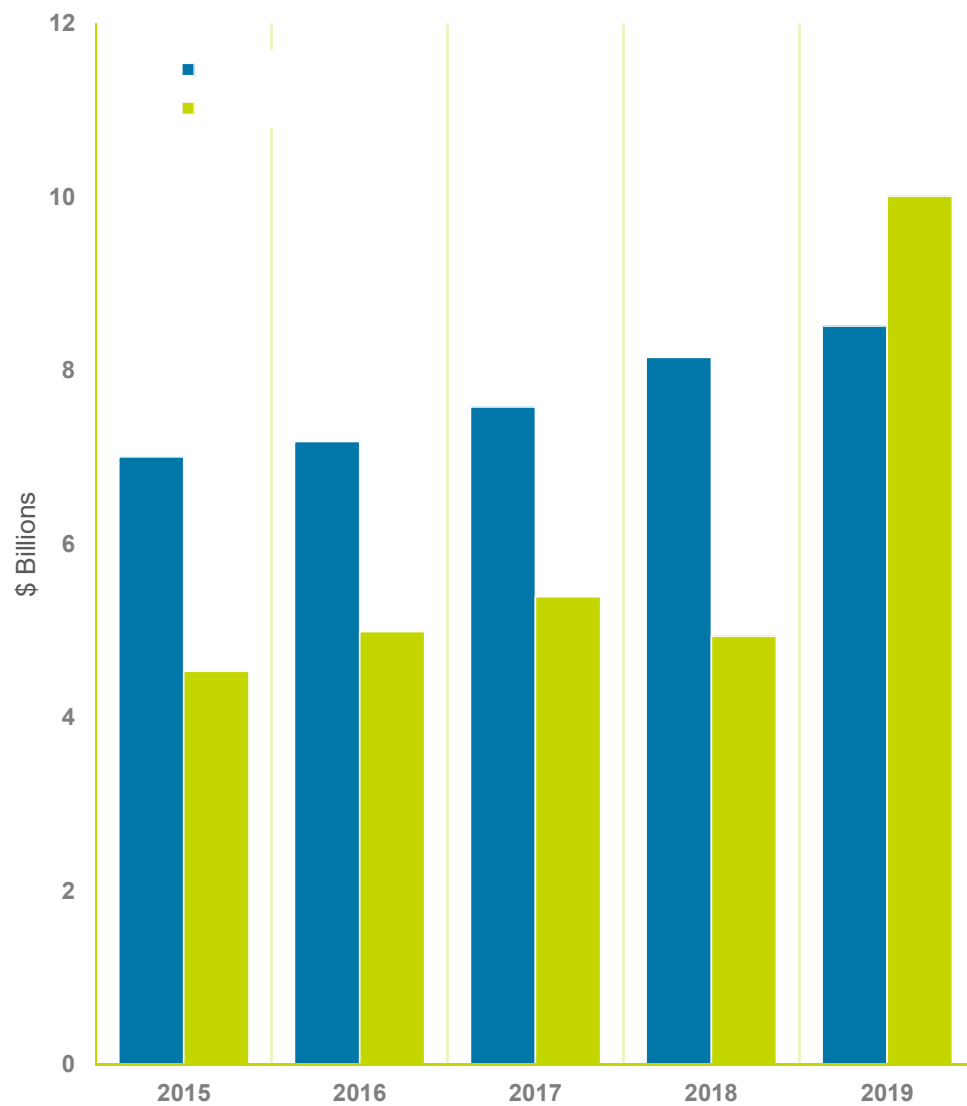
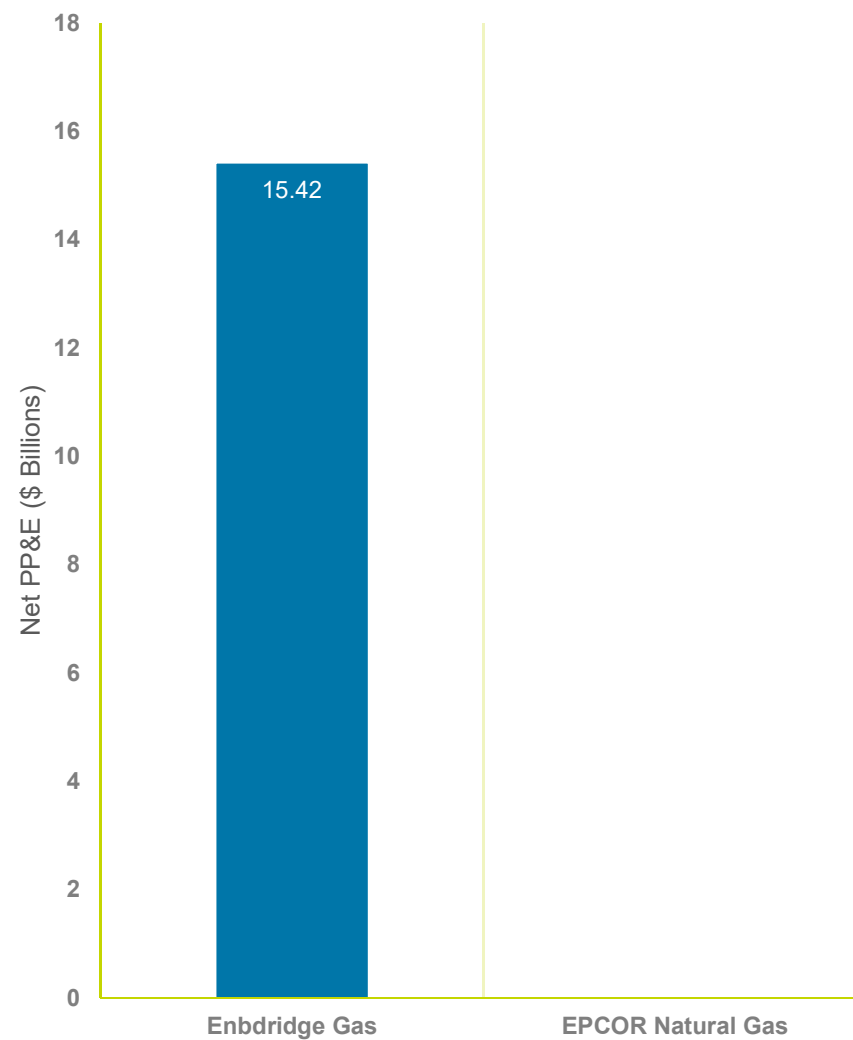
**Shareholders' Equity**

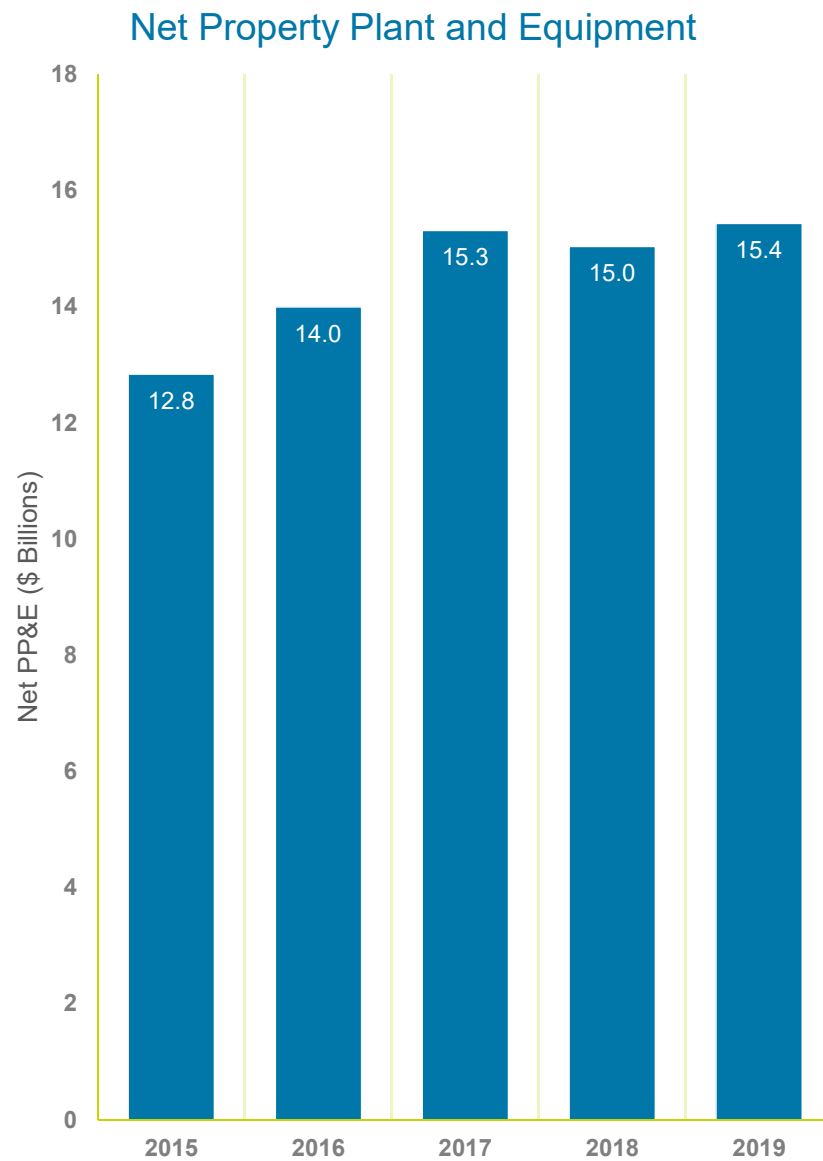
Share Capital & Retained Earnings	10,004,397,937	6,723,928	10,011,121,865
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**Liabilities & Shareholders' Equity**

<b>24,680,505,482</b>	<b>18,175,004</b>	<b>24,698,680,486</b>
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Long-Term Debt &amp; Equity

Net Property Plant and Equipment by  
Distributor



**Income Statement  
For the Year Ended  
December 31**
**Revenues**

Operating Revenues  
Other Income

**Expenses**

Gas Cost, Operating and Maintenance  
Depreciation  
Interest

**Income Before Income Taxes**

Income Taxes

**Net Income After Taxes**

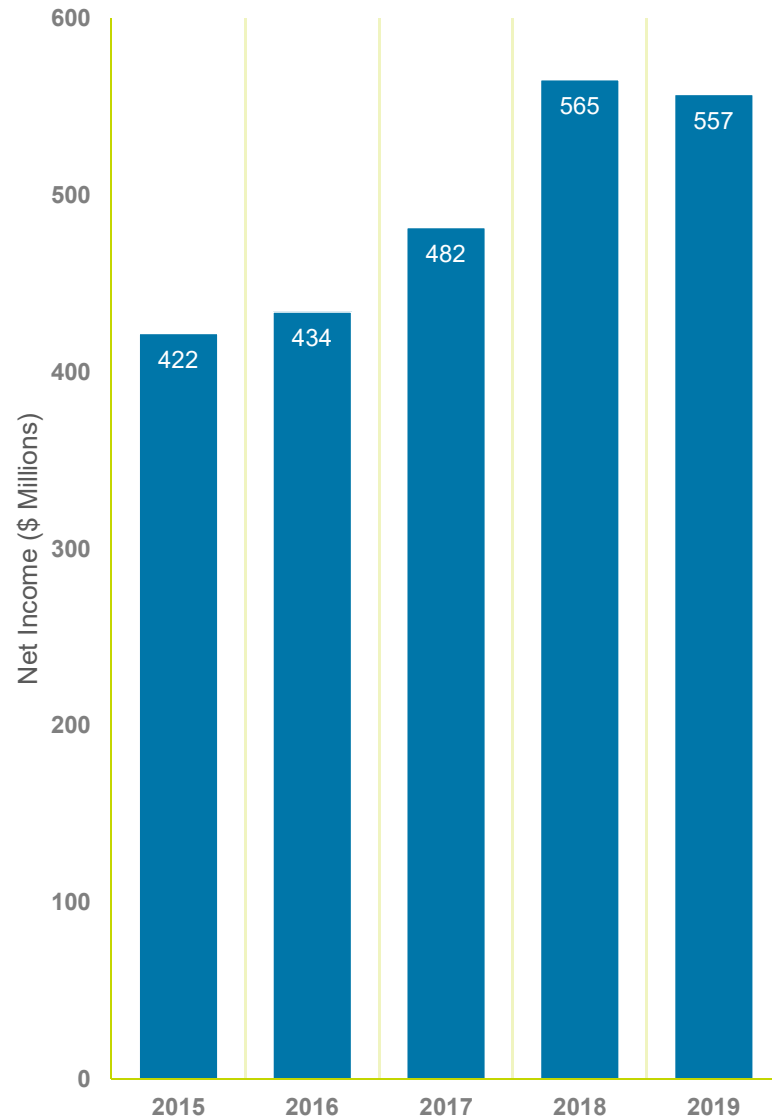
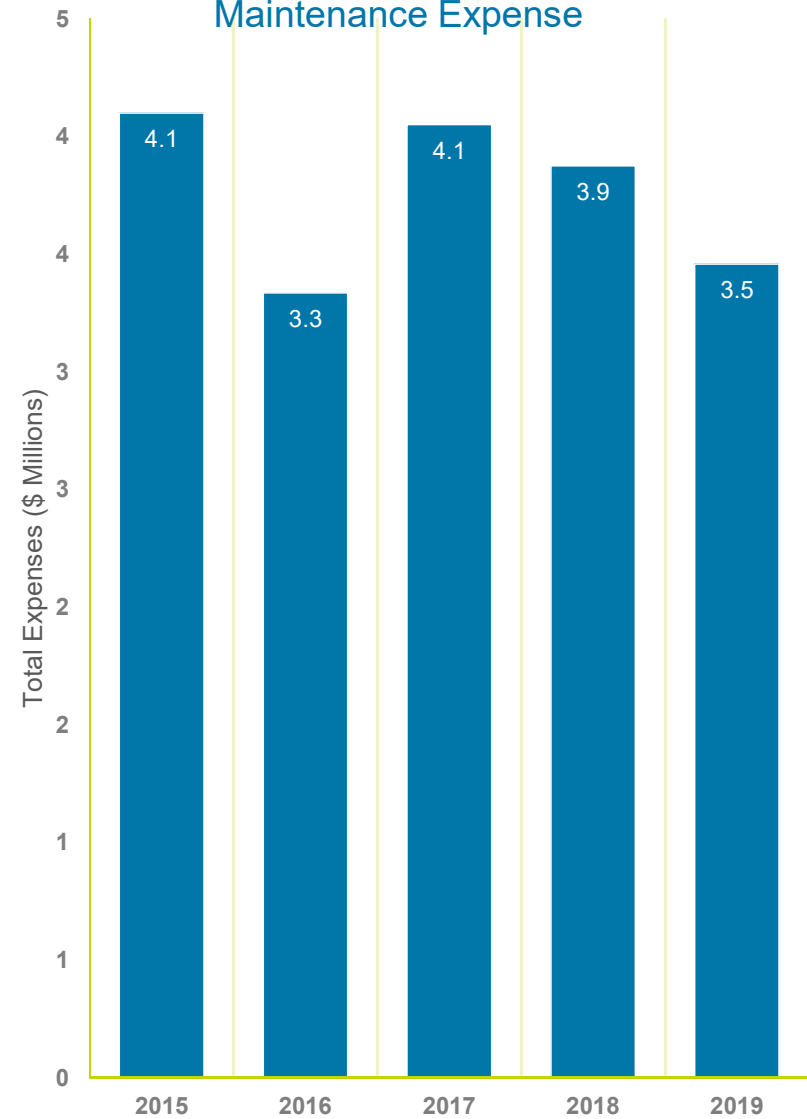
Extraordinary Items

**Net Income (Loss)**

	Enbridge Gas	EPCOR Natural Gas	Industry
	\$	\$	\$
Operating Revenues	5,074,575,545	14,026,057	5,088,601,602
Other Income	24,762,621	(56,384)	24,706,237
	<b>5,099,338,166</b>	<b>13,969,673</b>	<b>5,113,307,839</b>
Gas Cost, Operating and Maintenance	3,446,869,500	11,265,493	3,458,134,993
Depreciation	637,184,619	1,283,737	638,468,356
Interest	401,662,501	335,637	401,998,138
	<b>4,485,716,620</b>	<b>12,884,867</b>	<b>4,498,601,487</b>
<b>Income Before Income Taxes</b>	<b>613,621,546</b>	<b>1,084,806</b>	<b>614,706,352</b>
Income Taxes	57,555,546	-	57,555,546
<b>Net Income After Taxes</b>	<b>556,066,000</b>	<b>1,084,806</b>	<b>557,150,806</b>
Extraordinary Items	-	-	-
<b>Net Income (Loss)</b>	<b>556,066,000</b>	<b>1,084,806</b>	<b>557,150,806</b>

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

Net Income

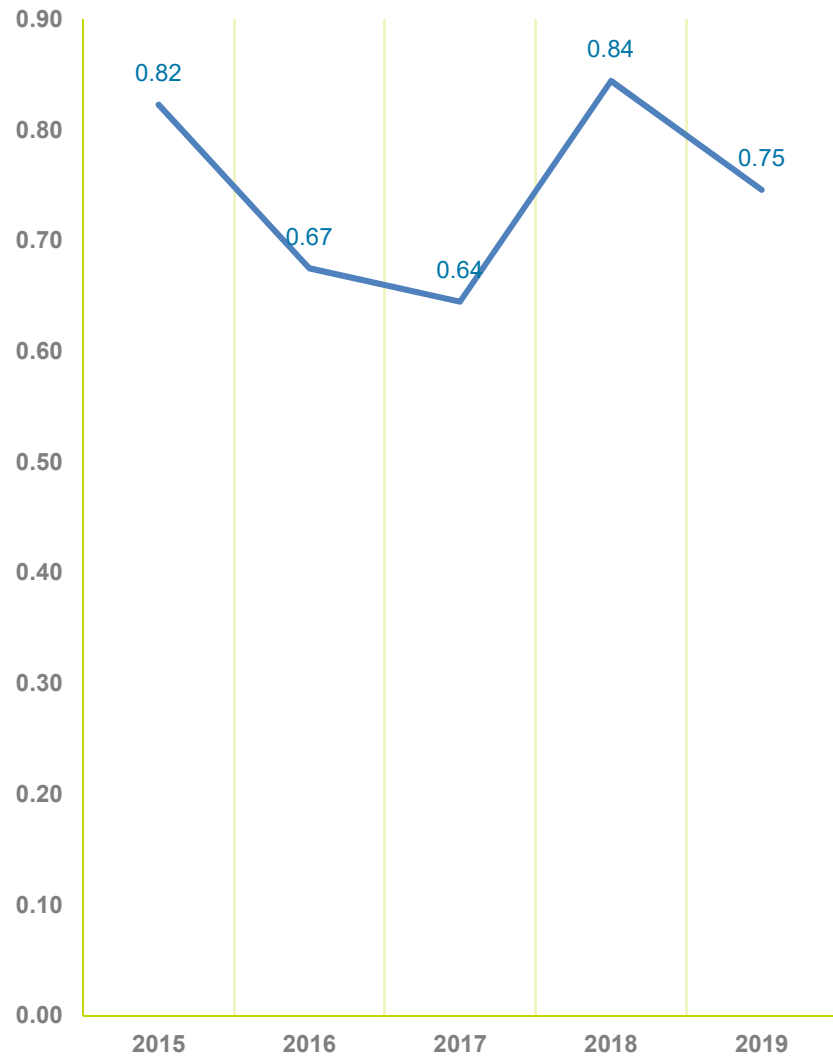
Total Gas Cost, Operating and  
Maintenance Expense



Financial Ratios	Enbridge Gas	EPCOR Natural Gas	Industry
<b>Liquidity Ratios</b>			
Current Ratio (Current Assets/Current Liabilities)	0.75	1.53	0.75
<b>Leverage Ratios</b>			
Debt Ratio (Total Debt/Total Assets)	0.40	0.48	0.40
Debt to Equity Ratio (Total Debt/Shareholders' Equity)	0.98	1.29	0.98
Interest Coverage (EBIT/Interest Charges)	2.53	4.23	2.53
<b>Profitability Ratios</b>			
Financial Statement Return on Assets (Net Income/Total Assets)	2.25%	5.97%	2.26%
Financial Statement Return on Equity (Net Income/Shareholders' Equity)	5.56%	16.13%	5.57%

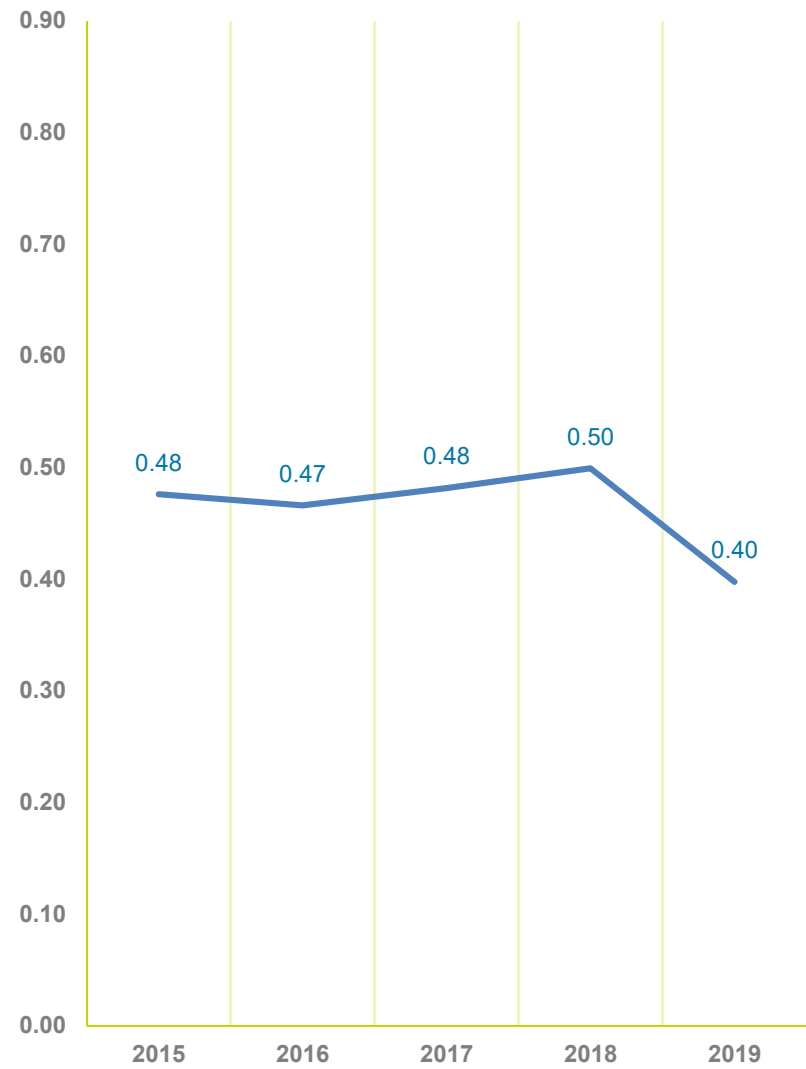
### Current Ratio

(Current Assets/Current Liabilities)



### Debt Ratio

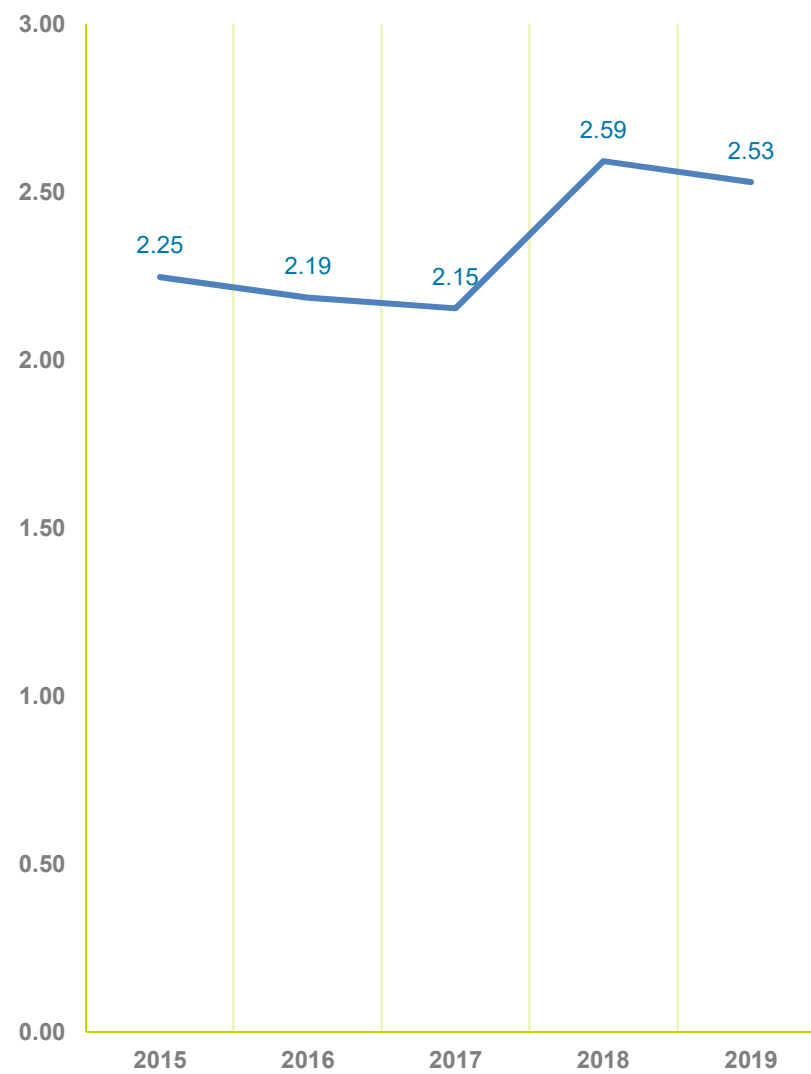
(Total Debt/Total Assets)



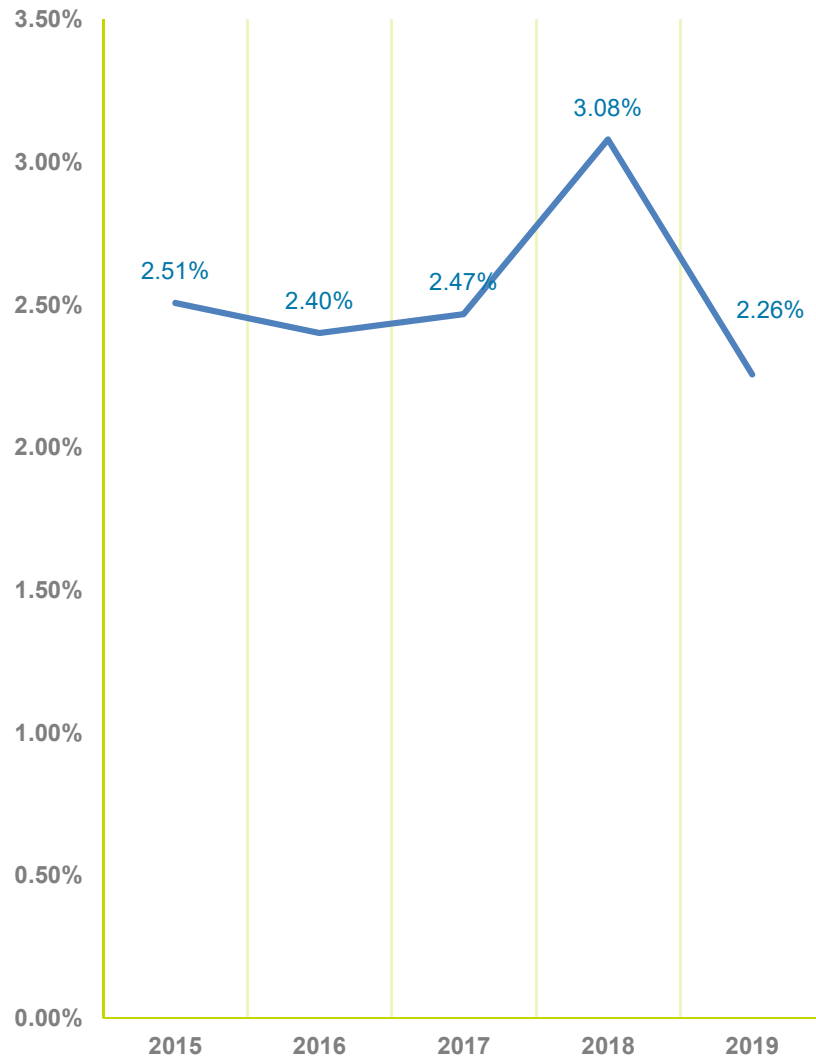
**Debt to Equity Ratio**  
(Total Debt/Equity)



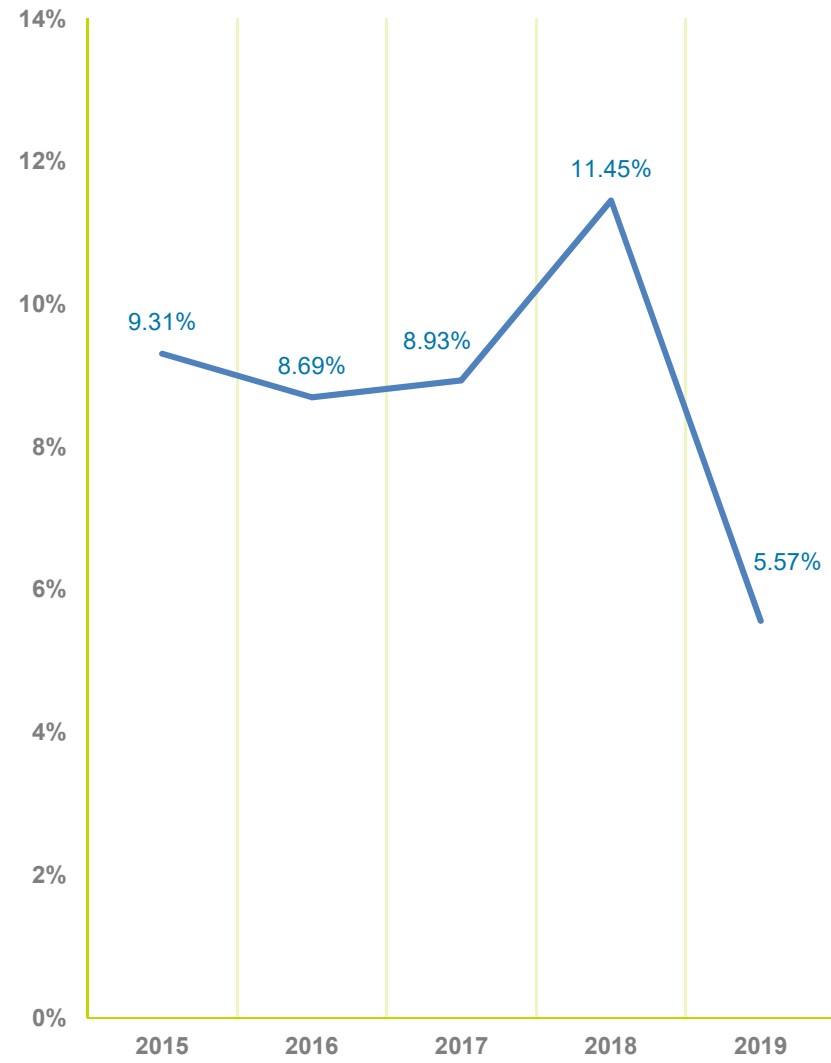
**Interest Coverage**  
(EBIT/Interest Charges)



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 the Year Ended December 31**

	<b>Enbridge Gas</b>	<b>EPCOR Natural Gas</b>	<b>Industry</b>
Residential	3,552,349	9,347	3,561,696
Non-Residential	155,694	9	155,703
	3,708,043	9,356	3,717,399

<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 Gas</b>	<b>EPCOR Natural Gas</b>	<b>Industry</b>
Residential	8,692	27	8,719
Non-Residential	17,917	69	17,985
	26,609	95	26,704

<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 the Year Ended December 31**

	<b>Enbridge Gas</b>	<b>EPCOR Natural Gas</b>	<b>Industry</b>
Low Volume	3,592,364	9,252	3,601,616
Large Volume	13,290	7	13,297

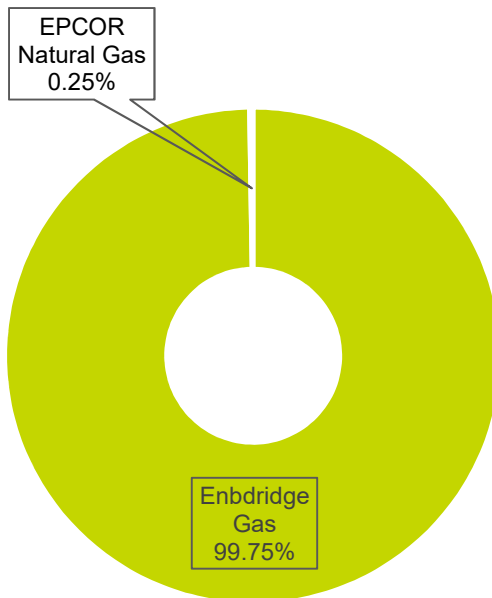
<sup>1</sup> System Gas Customers (subset of Total Customers) refer to customers who purchase gas supply from their utility.

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

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

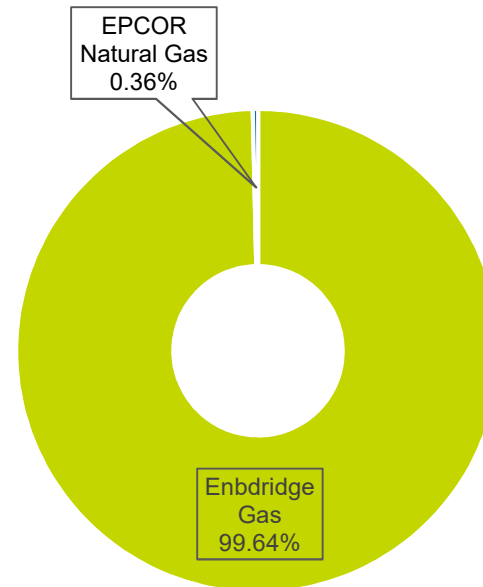
## Number of Customers

■ Enbridge Gas      ■ EPCOR Natural Gas



## Gas Volumes in million cubic meters

■ Enbridge Gas      ■ EPCOR Natural Gas



**Service Quality Requirements**

<b>Metric</b>	<b>Enbridge Gas</b>	<b>EPCOR Natural Gas</b>
<b>Call Answering Service Level</b> (OEB Minimum Standard: 75%)	79.00%	98.50%
<b>Number of Calls Abandon Rate</b> (OEB Standard: not exceed 10%)	2.50%	1.50%
<b>Meter Reading Performance</b> (OEB Standard: not exceed 0.5%)	0.70%	0.00%
<b>Appointments Met within Designated Time Period</b> (OEB Minimum Standard: 85%)	98.50%	99.80%
<b>Time to Reschedule Missed Appointments</b> (OEB Standard: 100%)	97.00%	100.00%
<b>Emergency Calls Responded within One Hour</b> (OEB Minimum Standard: 90%)	96.70%	98.80%
<b>Number of Days to Provide a Written Response</b> (OEB Minimum Standard: 80%)	100.00%	100.00%
<b>Number of Days to Reconnect a Customer</b> (OEB Minimum Standard: 85%)	98.10%	100.00%



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

		Financial Statement Line Items	Related Uniform System of Accounts (RRR 2.1.7)
Balance Sheet		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
Income Statement		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

## Glossary of Terms | 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.