



Ontario  
Energy  
Board

# YEARBOOK OF NATURAL GAS DISTRIBUTORS

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2020/21



## 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

## Industry Metrics Snapshot

Financial Item / Metric	2016	2017	2018	2019	2020
Operating Revenues (\$) <sup>1</sup>	4,629,905,581	5,446,016,294	5,388,183,841	5,088,601,602	4,526,913,356
Net Income (\$)	433,988,410	481,665,263	565,379,399	557,150,806	495,228,125
Return on Shareholders' Equity (%) <sup>2</sup>	8.69%	8.93%	11.45%	5.57%	4.93%
Operating Expenses (\$) <sup>3</sup>	3,336,245,690	4,050,734,331	3,874,781,299	3,458,134,993	2,964,531,066
Depreciation Expense (\$)	558,697,466	594,168,499	608,808,669	638,468,356	656,955,198
Net Property, Plant and Equipment (\$)	13,993,950,193	15,312,793,338	15,037,654,293	15,433,279,142	15,933,314,956
Number of Customers <sup>4</sup>	3,598,700	3,653,986	3,701,403	3,717,399	3,740,847
Gas Volumes (in million cubic meters) <sup>5</sup>	24,564	24,533	26,088	26,704	25,065

<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.

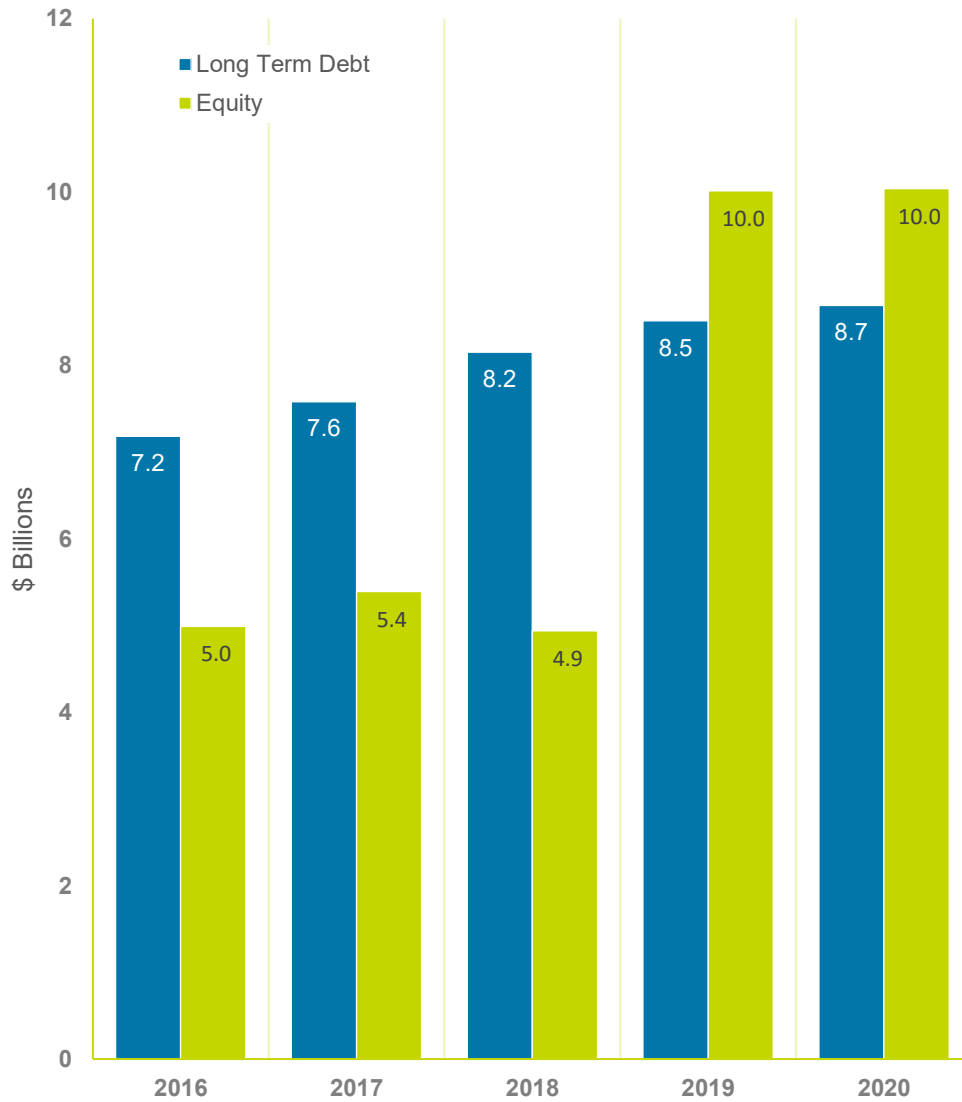
<sup>4</sup> Total customers include system gas customers and direct purchase customers of gas marketers licensed by the OEB.

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

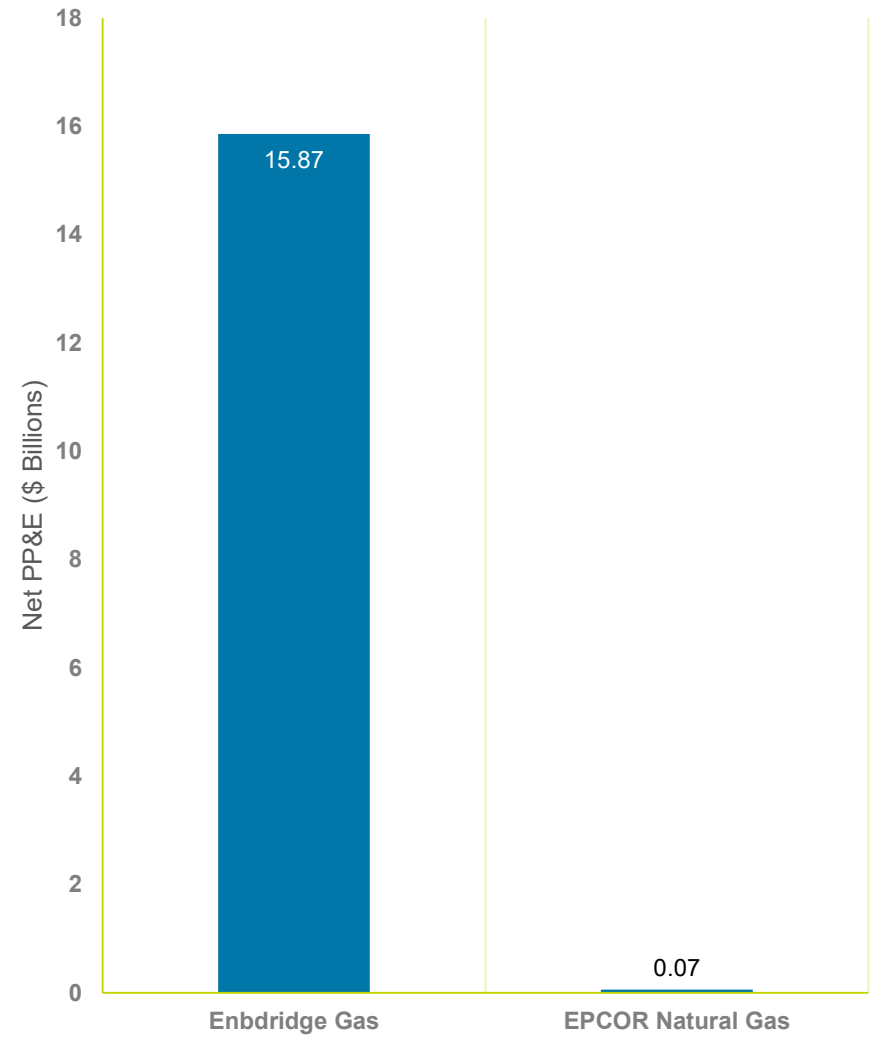
**Balance Sheet  
as of  
December 31**

	Enbridge Gas	EPCOR Natural Gas	Industry
	\$	\$	\$
<b>Current Assets</b>			
Cash	9,288,618	6,575	9,295,193
Accounts Receivable	1,120,316,056	3,378,548	1,123,694,604
Gas Inventories	657,144,935	-	657,144,935
Other Current Assets	134,333,382	1,992,696	136,326,078
<b>Total Current Assets</b>	<b>1,921,082,991</b>	<b>5,377,819</b>	<b>1,926,460,810</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	15,865,986,334	67,328,622	15,933,314,956
Long-Term Investments	2	3,269,220	3,269,222
Deferred Charges	2,359,829,410	1,457,810	2,361,287,220
Other Non-Current Assets	5,089,903,858	(412,509)	5,089,491,349
<b>Total Non-Current Assets</b>	<b>23,315,719,604</b>	<b>71,643,143</b>	<b>23,387,362,747</b>
<b>Total Assets</b>	<b>25,236,802,595</b>	<b>77,020,962</b>	<b>25,313,823,557</b>
<b>Current Liabilities</b>			
Bank Overdraft, Loans and Notes Payable	1,120,846,735	-	1,120,846,735
Accounts Payable & Accrued Liabilities	1,299,535,214	18,835,259	1,318,370,473
Other Current Liabilities	81,097,188	14,464	81,111,652
Income Taxes Payable	47,389,762	-	47,389,762
Current Portion of Long-Term Debt	376,577,874	36,911	376,614,785
<b>Total Current Liabilities</b>	<b>2,925,446,773</b>	<b>18,886,634</b>	<b>2,944,333,407</b>
<b>Non-Current Liabilities</b>			
Long-Term Debt	8,653,141,653	37,653,200	8,690,794,853
Deferred Income Taxes	1,522,285,424	-	1,522,285,424
Other Non-Current Liabilities	2,118,298,468	-	2,118,298,468
<b>Total Non-Current Liabilities</b>	<b>12,293,725,545</b>	<b>37,653,200</b>	<b>12,331,378,745</b>
<b>Total Liabilities</b>	<b>15,219,172,318</b>	<b>56,539,834</b>	<b>15,275,712,152</b>
<b>Shareholders' Equity</b>			
Share Capital & Retained Earnings	10,017,630,277	20,481,128	10,038,111,405
<b>Liabilities &amp; Shareholders' Equity</b>	<b>25,236,802,595</b>	<b>77,020,962</b>	<b>25,313,823,557</b>

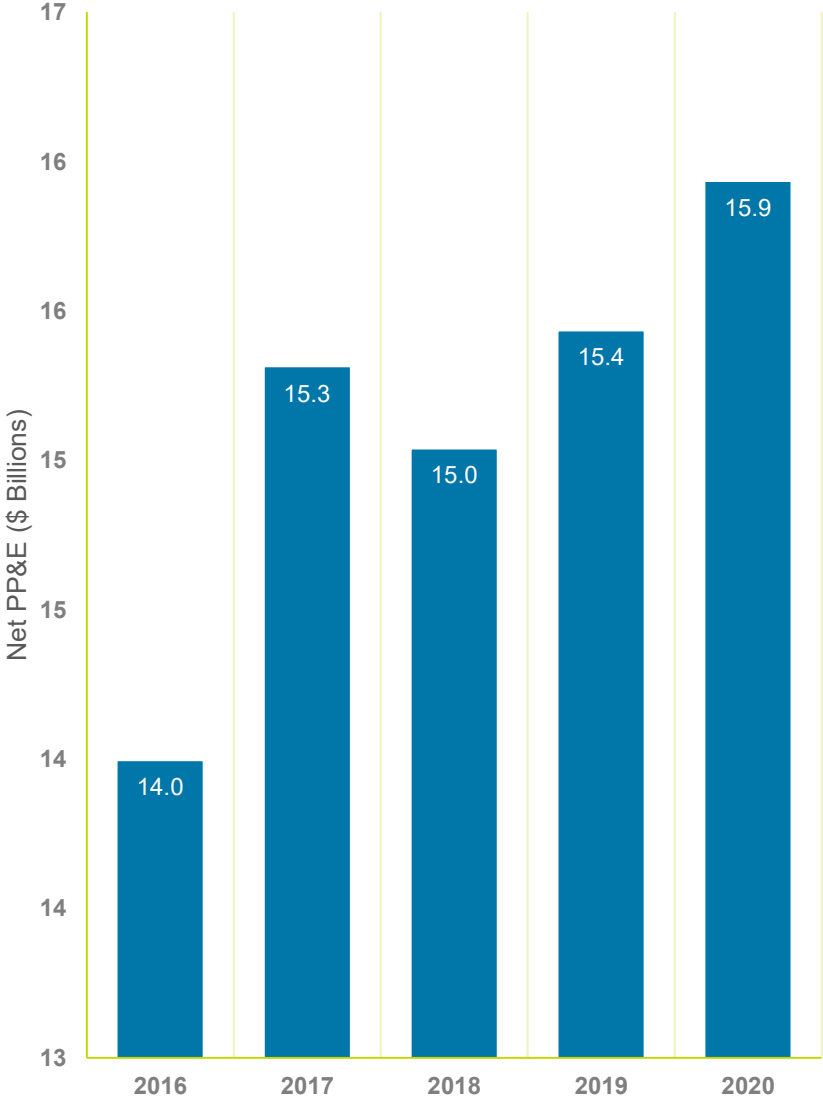
Long-Term Debt & Equity



Net Property Plant and Equipment by Distributor



### Net Property Plant and Equipment

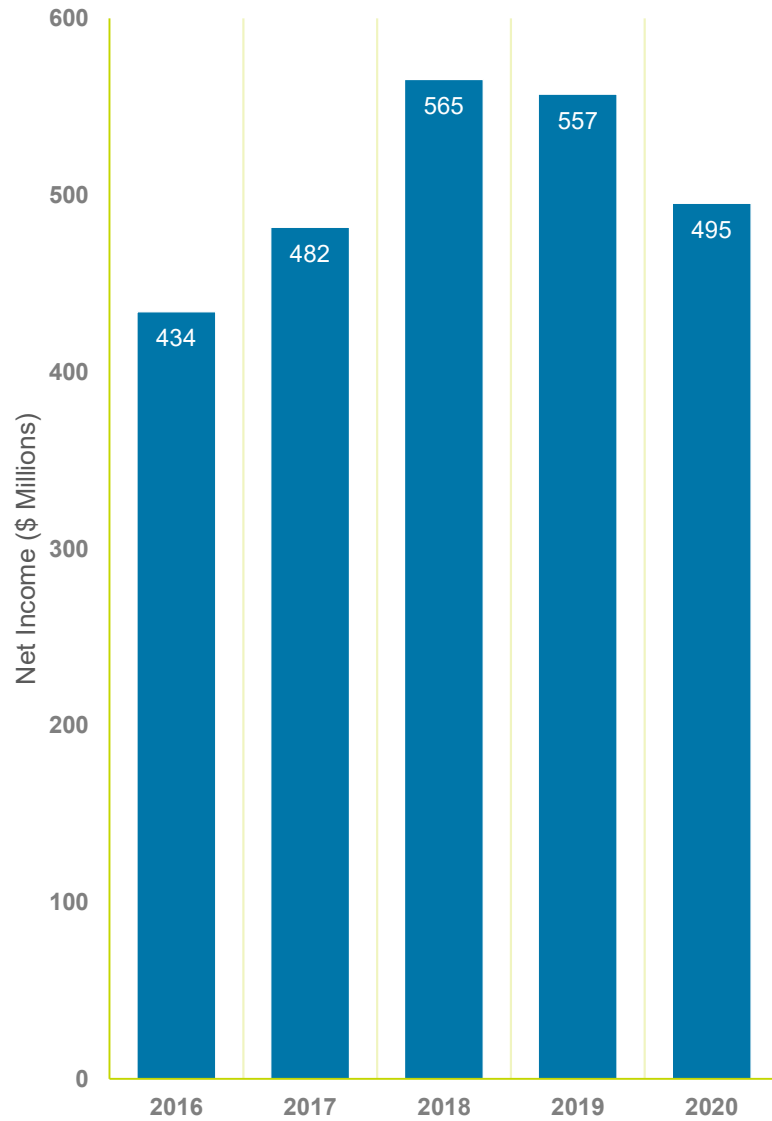


**Income Statement  
For the Year Ended  
December 31**

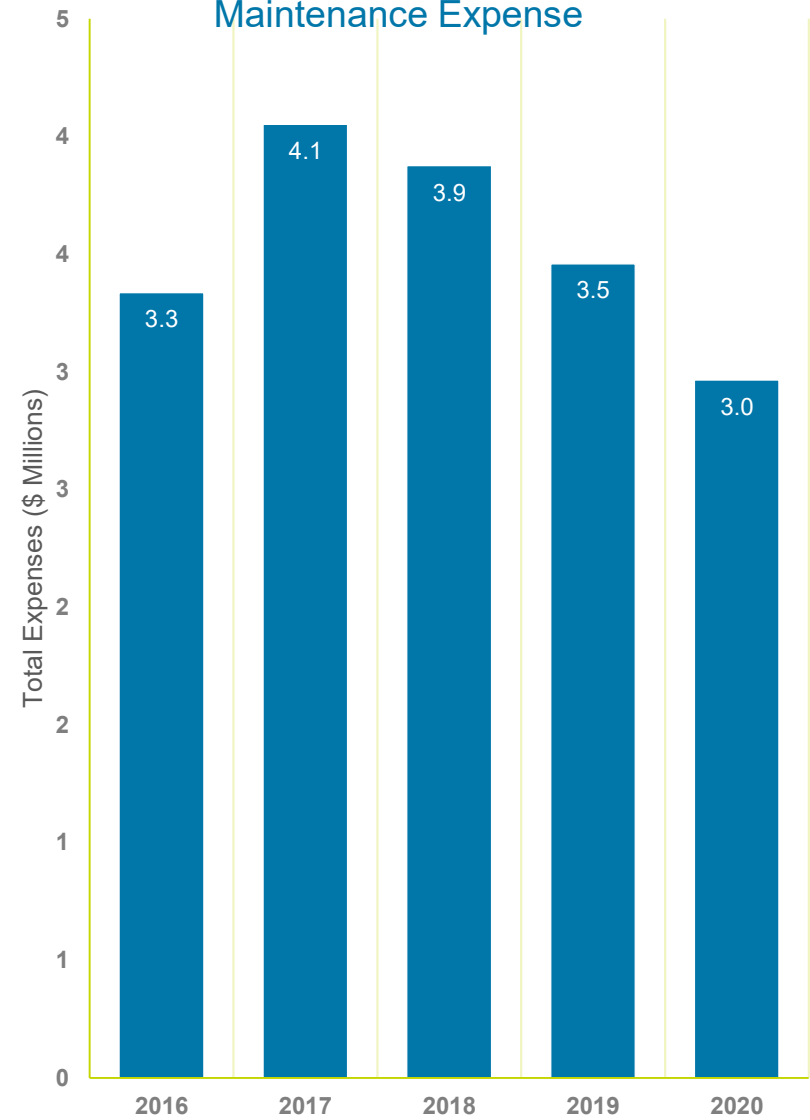
	Enbridge Gas	EPCOR Natural Gas	Industry
	\$	\$	\$
<b>Revenues</b>			
Operating Revenues	4,514,686,754	12,226,602	4,526,913,356
Other Income	61,356,136	420,325	61,776,461
	<b>4,576,042,890</b>	<b>12,646,926</b>	<b>4,588,689,816</b>
<b>Expenses</b>			
Gas Cost, Operating and Maintenance	2,952,106,600	12,424,466	2,964,531,066
Depreciation	655,473,333	1,481,865	656,955,198
Interest	413,417,485	854,835	414,272,320
	<b>4,020,997,418</b>	<b>14,761,166</b>	<b>4,035,758,584</b>
<b>Income Before Income Taxes</b>	<b>555,045,472</b>	<b>(2,114,240)</b>	<b>552,931,232</b>
Income Taxes	57,703,107	-	57,703,107
<b>Net Income After Taxes</b>	<b>497,342,365</b>	<b>(2,114,240)</b>	<b>495,228,125</b>
Extraordinary Items	-	-	-
<b>Net Income (Loss)</b>	<b>497,342,365</b>	<b>(2,114,240)</b>	<b>495,228,125</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





<b>Financial Ratios</b>	<b>Enbridge Gas</b>	<b>EPCOR Natural Gas</b>	<b>Industry</b>
<b>Liquidity Ratios</b>			
Current Ratio (Current Assets/Current Liabilities)	0.66	0.28	0.65
<b>Leverage Ratios</b>			
Debt Ratio (Total Debt/Total Assets)	0.40	0.49	0.40
Debt to Equity Ratio (Total Debt/Shareholders' Equity)	1.01	1.84	1.01
Interest Coverage (EBIT/Interest Charges)	2.34	(1.47)	2.33
<b>Profitability Ratios</b>			
Financial Statement Return on Assets (Net Income/Total Assets)	1.97%	-2.75%	1.96%
Financial Statement Return on Equity (Net Income/Shareholders' Equity)	4.96%	-10.32%	4.93%

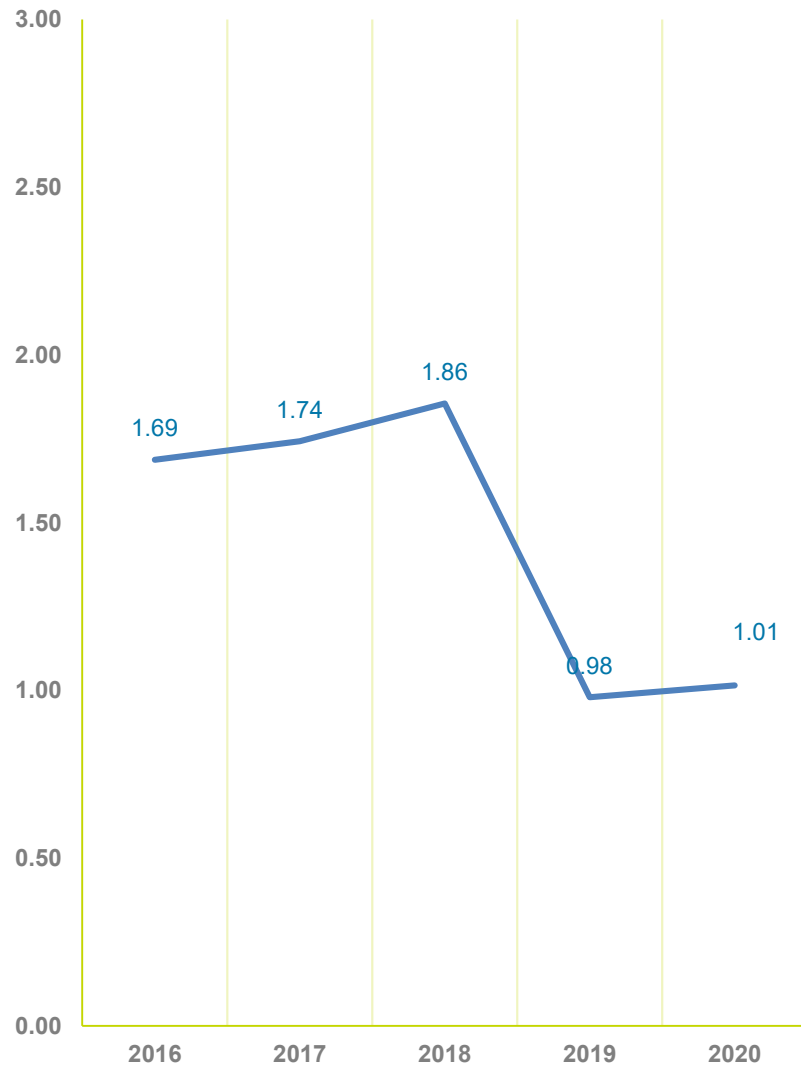
**Current Ratio**  
(Current Assets/Current Liabilities)



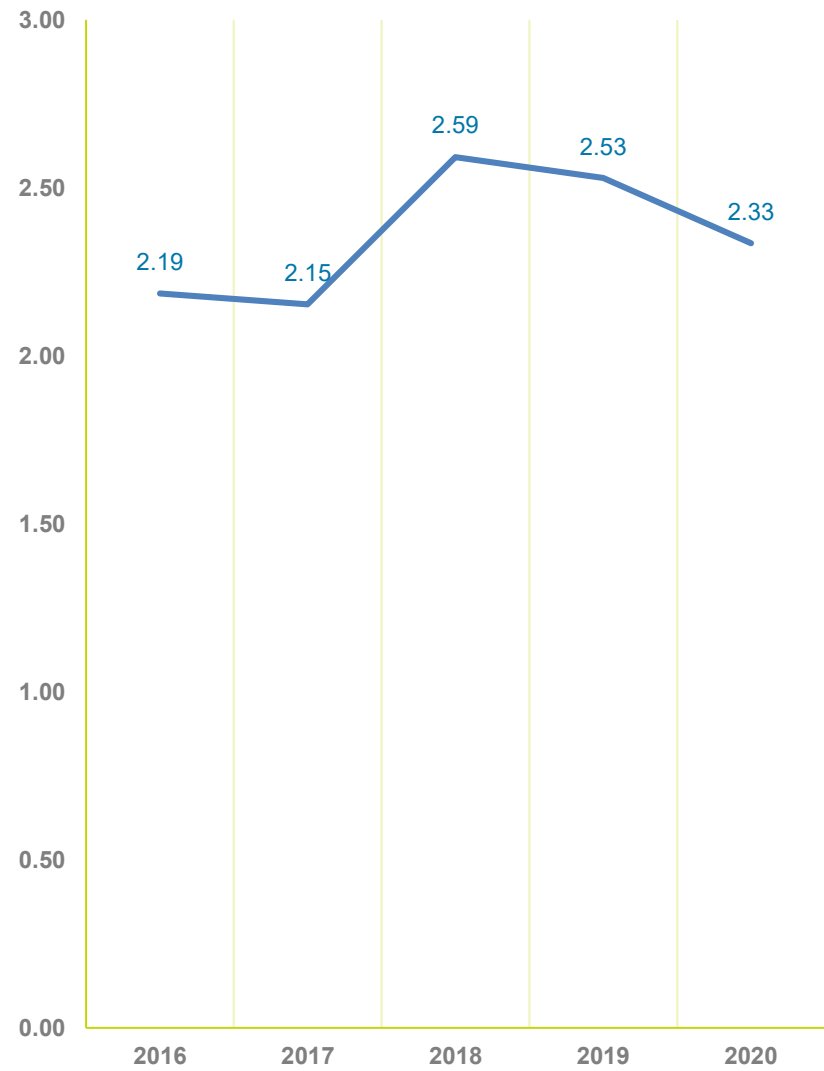
**Debt Ratio**  
(Total Debt/Total Assets)



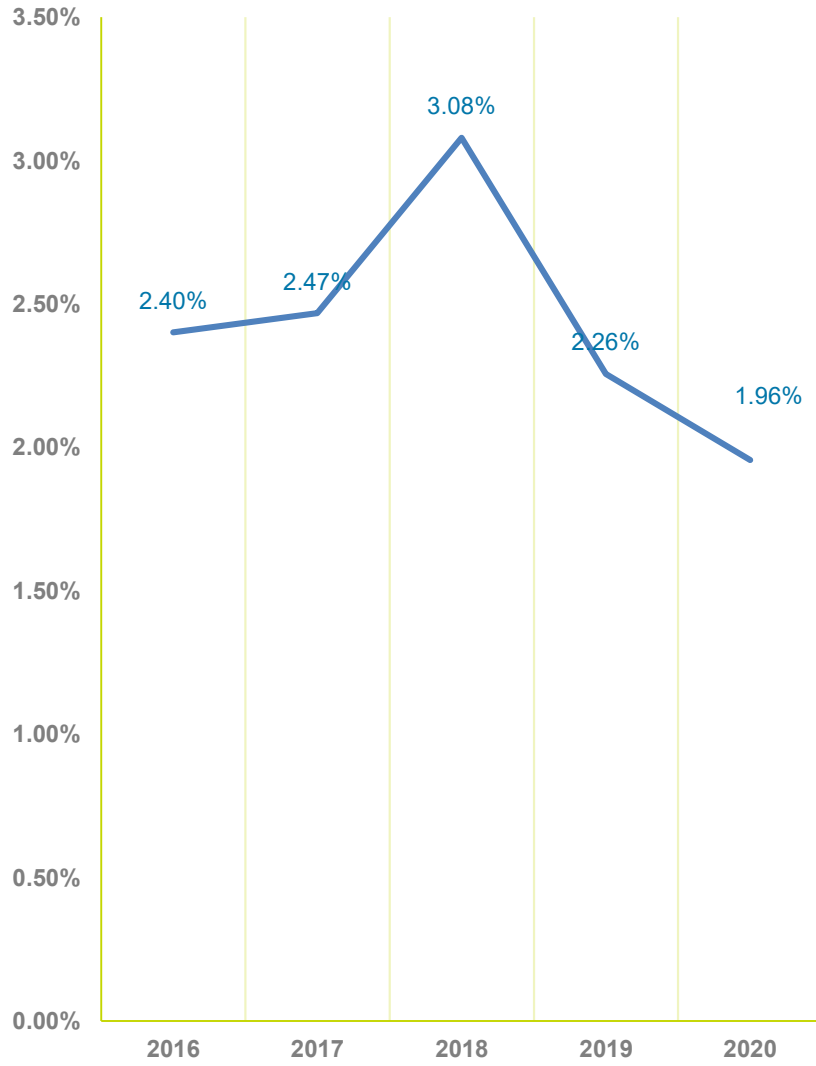
Debt to Equity Ratio  
(Total Debt/Equity)



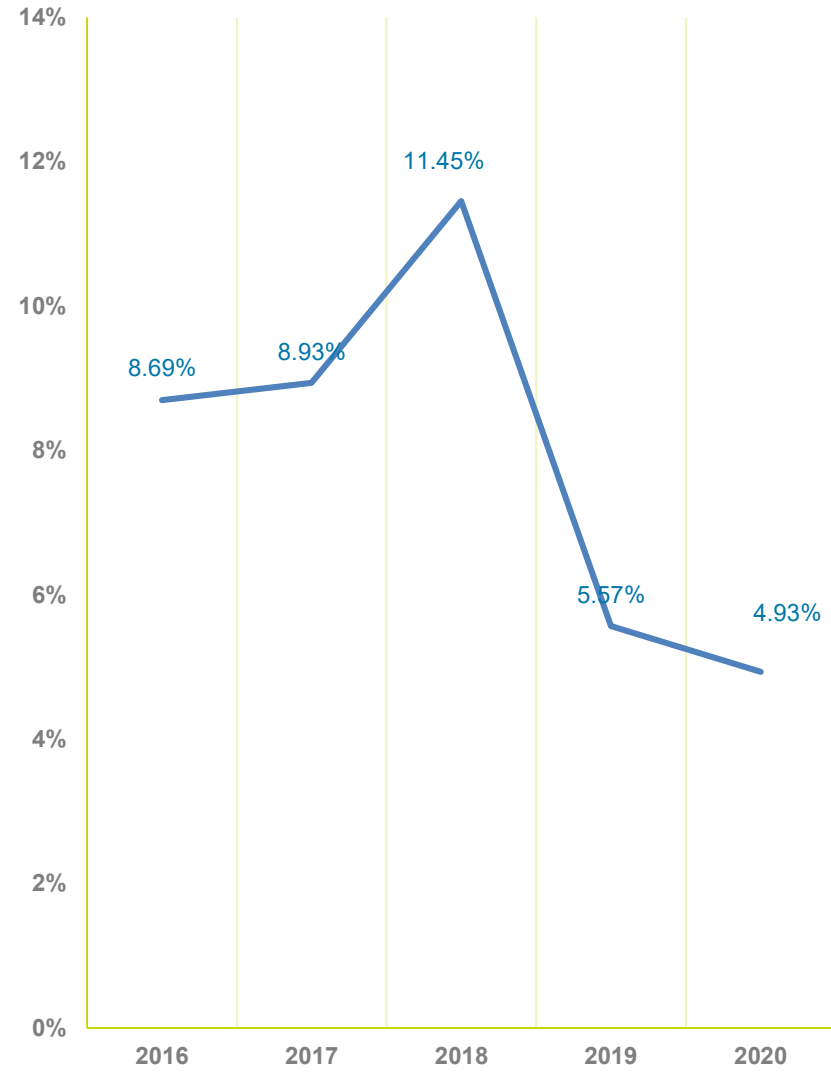
Interest Coverage  
(EBIT/Interest Charges)



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



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



**General Customer Information****Total Number of Customers <sup>1</sup>**

For the Year Ended December 31

	Enbridge Gas	EPCOR Natural Gas	Industry
Residential	3,712,666	9,493	3,722,159
Non-Residential	18,535	153	18,688
	3,731,201	9,646	3,740,847

<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

	Enbridge Gas	EPCOR Natural Gas	Industry
Residential	7,959	24	7,983
Non-Residential	17,012	69	17,081
	24,971	93	25,065

<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

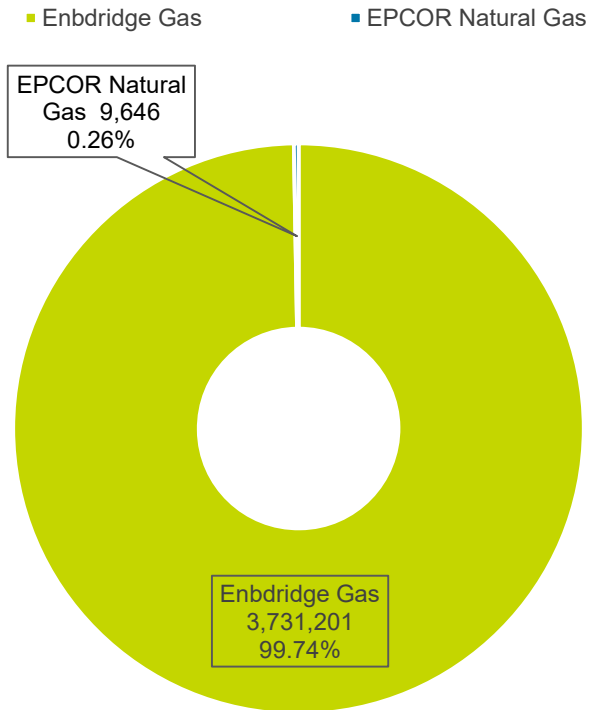
	Enbridge Gas	EPCOR Natural Gas	Industry
Low Volume	3,657,838	9,540	3,667,378
Large Volume	15,296	10	15,306

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

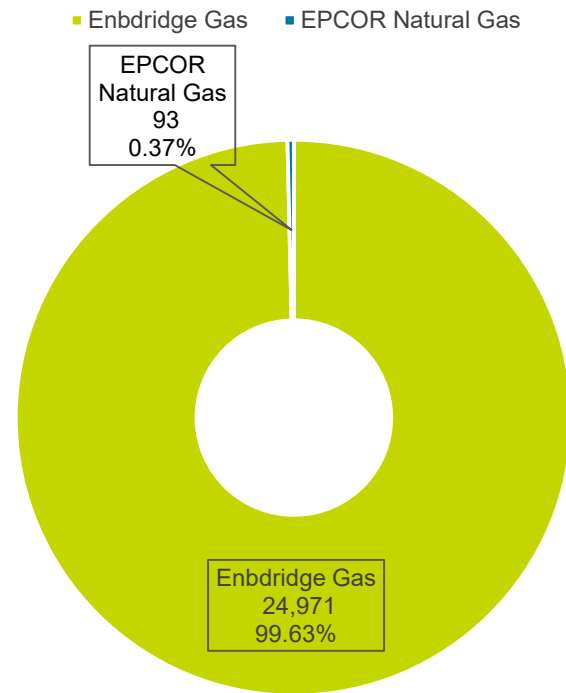
Low Volume Customer - Less than 50,000 cubic meters/year.

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

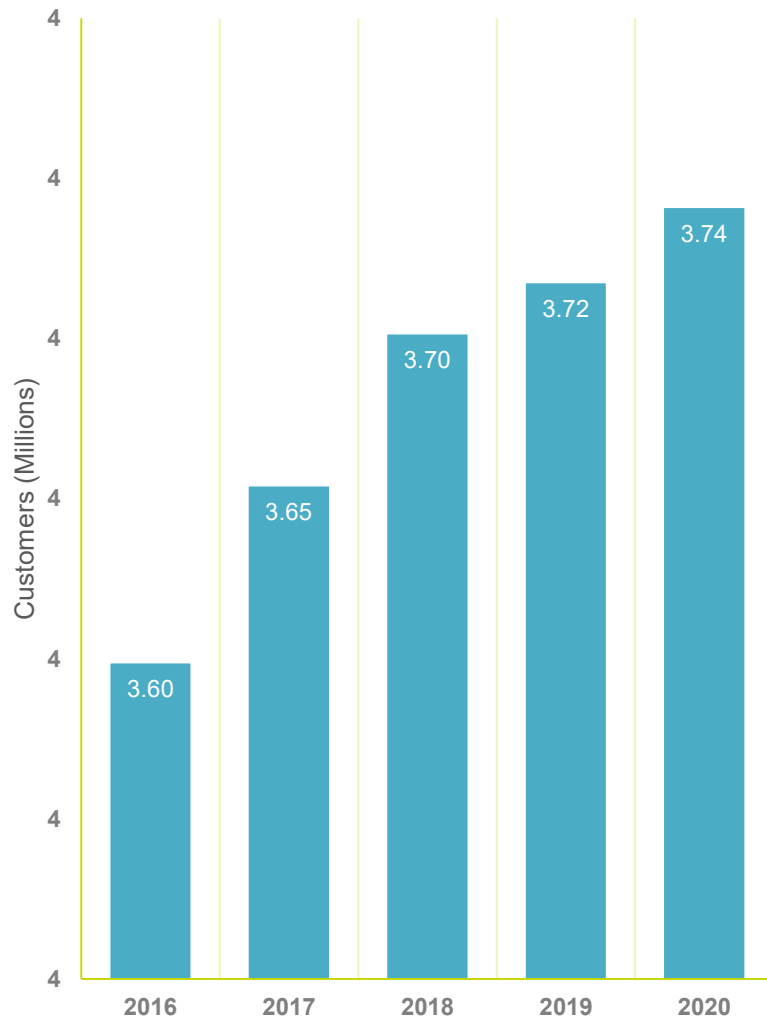
### Number of Customers



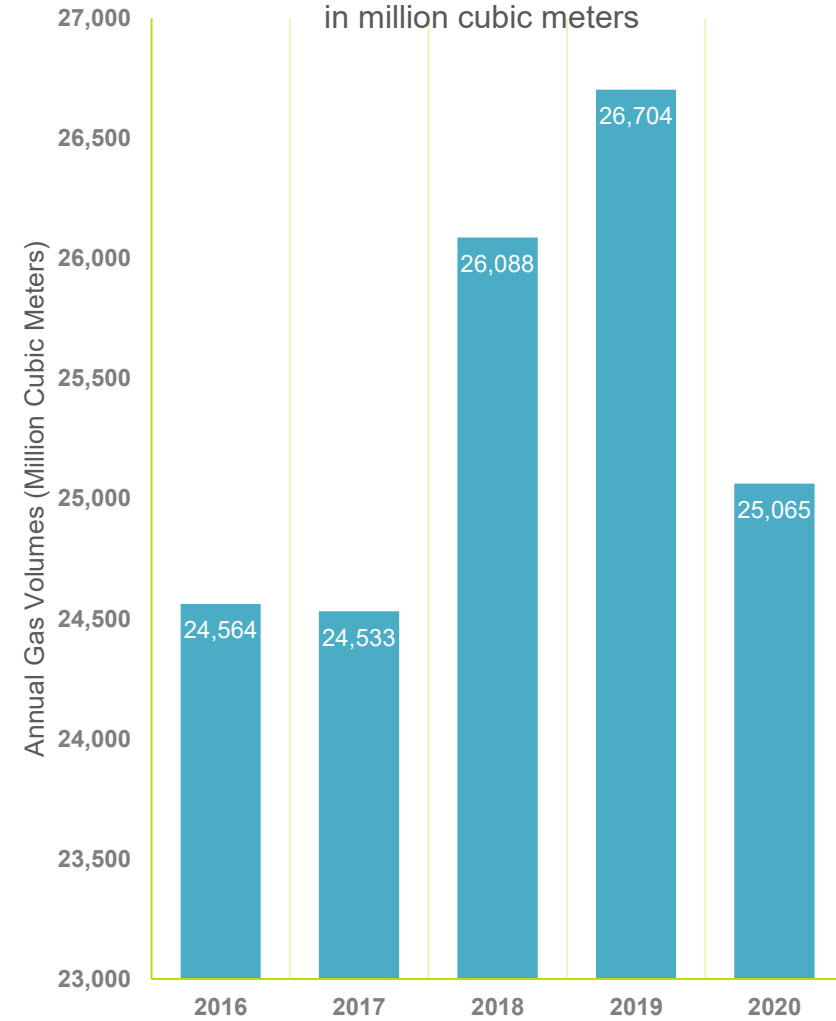
### Gas Volumes in million cubic meters



Total Number of Customers



Annual Gas Volumes  
in million cubic meters





**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%)	75.20%	96.00%
<b>Number of Calls Abandon Rate</b> (OEB Standard: not exceed 10%)	5.40%	4.00%
<b>Meter Reading Performance</b> (OEB Standard: not exceed 0.5%)	4.40%	0.00%
<b>Appointments Met within Designated Time Period</b> (OEB Minimum Standard: 85%)	98.80%	99.50%
<b>Time to Reschedule Missed Appointments</b> (OEB Standard: 100%)	97.30%	100.00%
<b>Emergency Calls Responded within One Hour</b> (OEB Minimum Standard: 90%)	96.70%	97.50%
<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%)	98.90%	0.00%

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

	<b>Financial Statement Line Items</b>	<b>Related Uniform System of Accounts (RRR 2.1.7)</b>
<b>Balance Sheet</b>	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	
<b>Income Statement</b>	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.