



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.

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Industry Metrics Snapshot

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

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

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

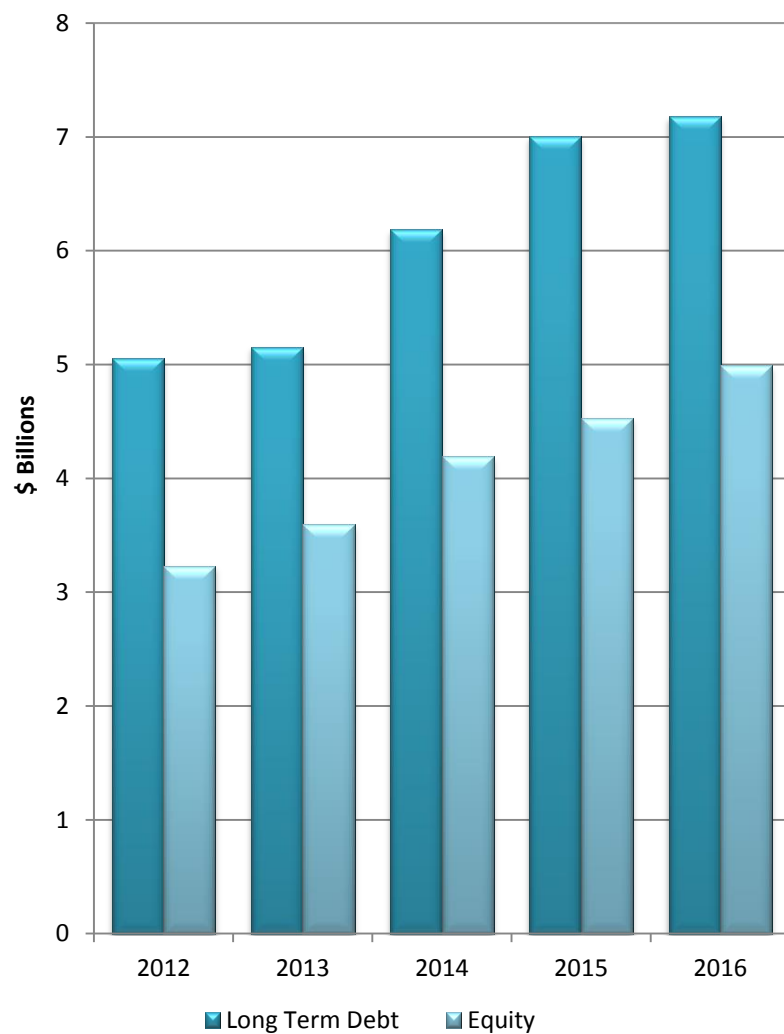
SHAREHOLDERS' EQUITY

Share Capital & Retained Earnings

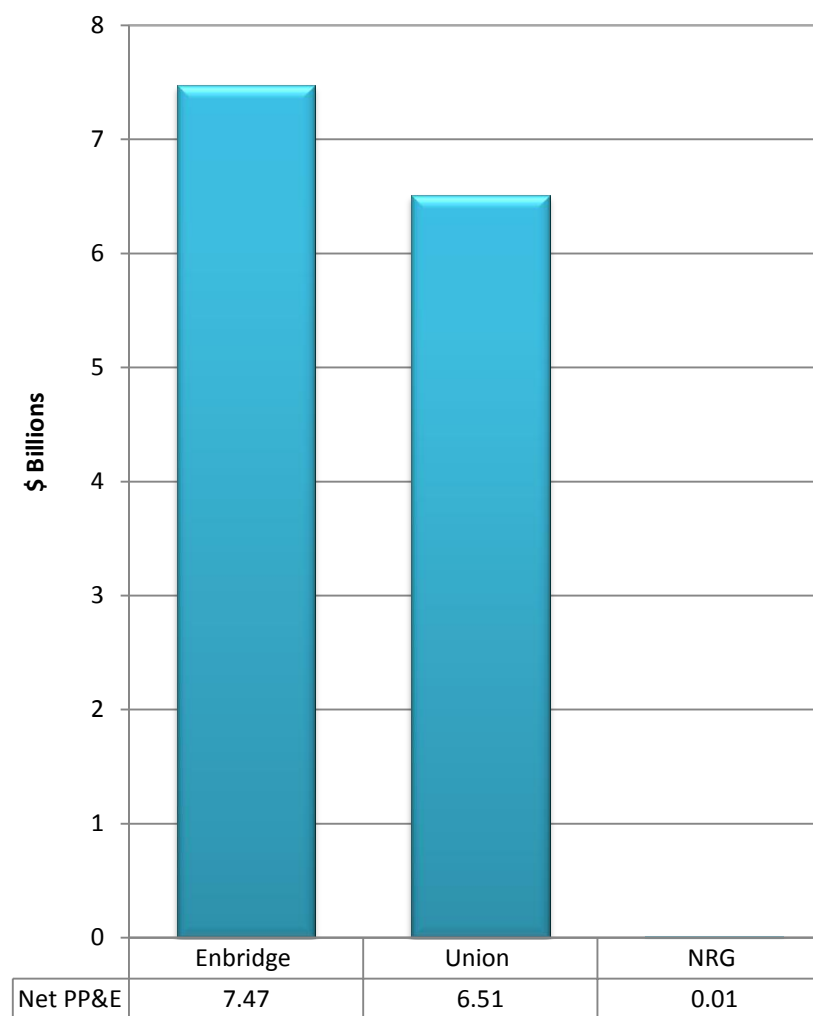
LIABILITIES & SHAREHOLDERS' EQUITY

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

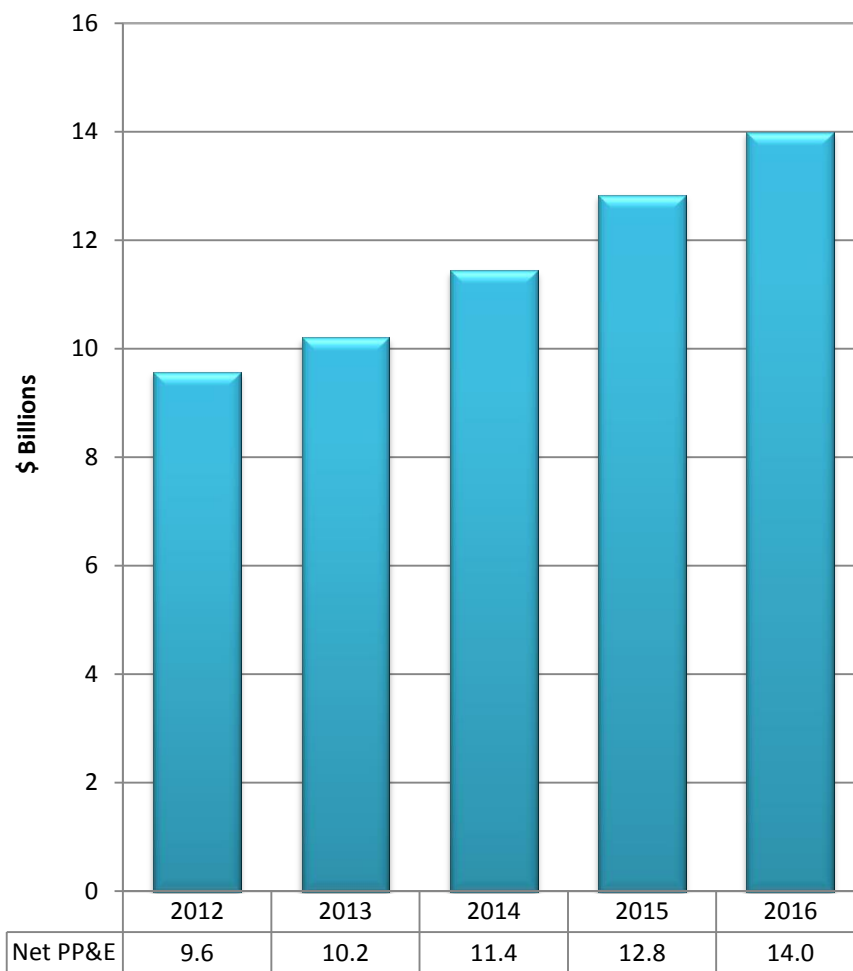
Long-Term Debt & Equity



Net Property and Equipment by Distributor



Net Property Plant and Equipment

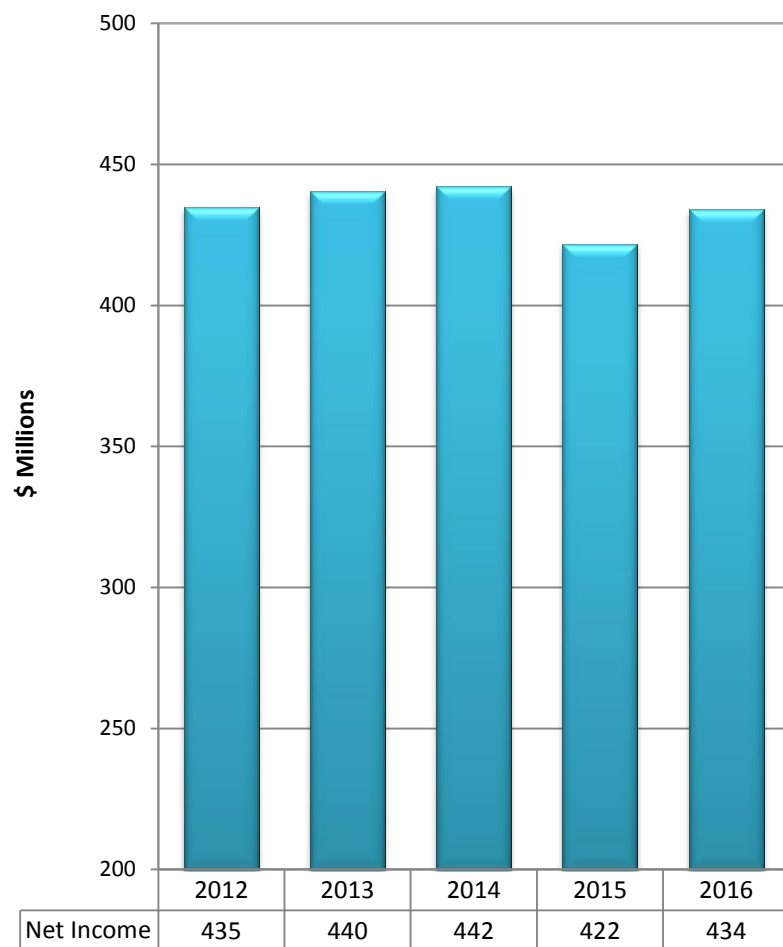


INCOME STATEMENT

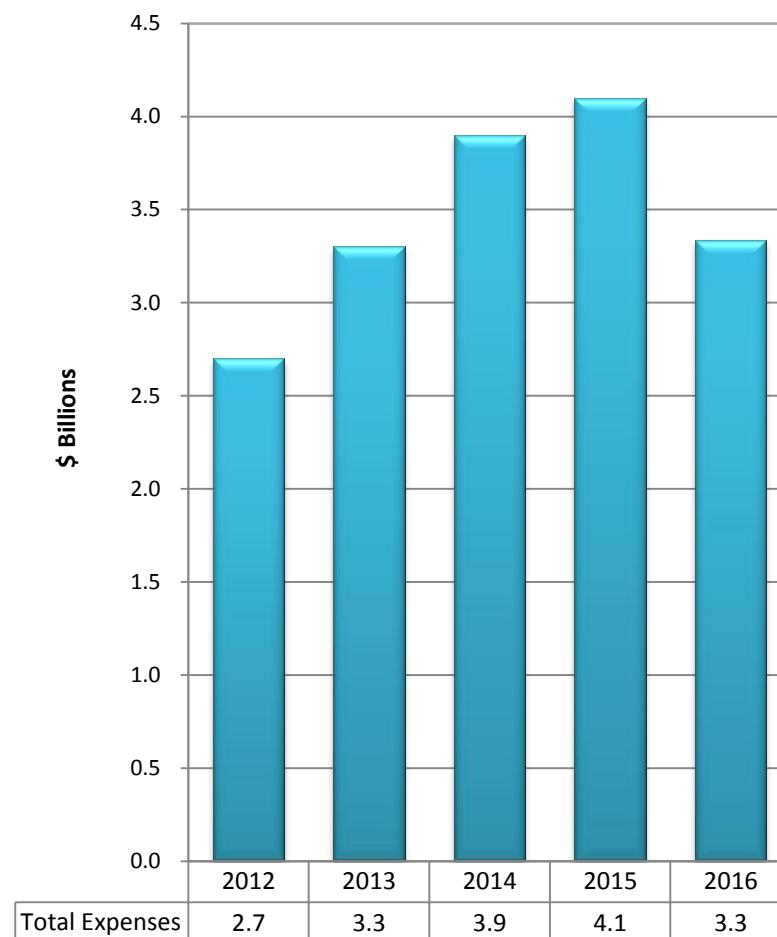
	ENBRIDGE	UNION	NRG	INDUSTRY
Revenues				
Operating Revenues	\$ 2,812,685,537	\$ 1,806,770,389	\$ 10,449,655	\$ 4,629,905,581
Other Income	86,774,198	33,241,716	15,114	120,031,028
	2,899,459,735	1,840,012,105	10,464,769	4,749,936,609
Expenses				
Gas Cost, Operating and Maintenance	2,123,230,699	1,204,512,317	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
	2,663,034,992	1,613,368,614	9,776,641	4,286,180,247
Income Before Income Taxes	236,424,743	226,643,491	688,128	463,756,362
Income Taxes	8,239,294	21,277,487	203,500	29,720,281
Net Income After Taxes	228,185,449	205,366,004	484,628	434,036,081
Extraordinary Items	-	-	(47,670)	(47,670)
Net Income (Loss)	\$ 228,185,449	\$ 205,366,004	\$ 436,957	\$ 433,988,410

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

Liquidity Ratios

Current Ratio
(Current Assets/Current Liabilities)

Leverage Ratios

Debt Ratio
(Total Debt/Total Assets)

Debt to Equity Ratio
(Total Debt/Shareholders' Equity)

Interest Coverage
(EBIT/Interest Charges)

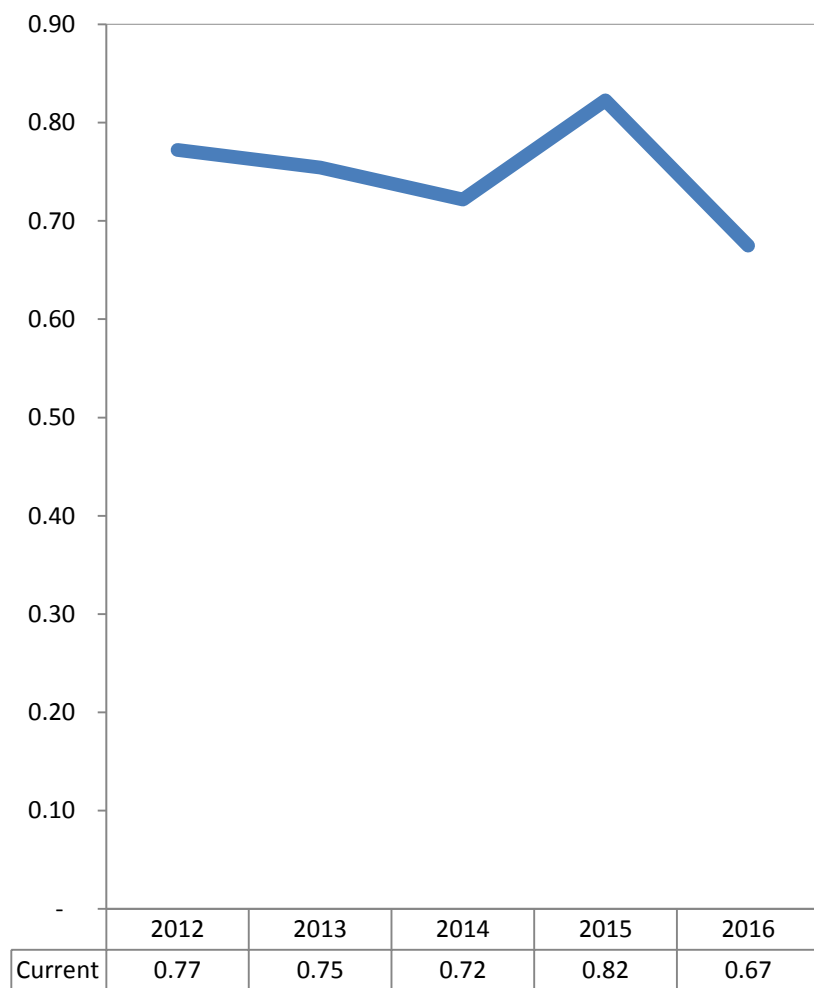
Profitability Ratios

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

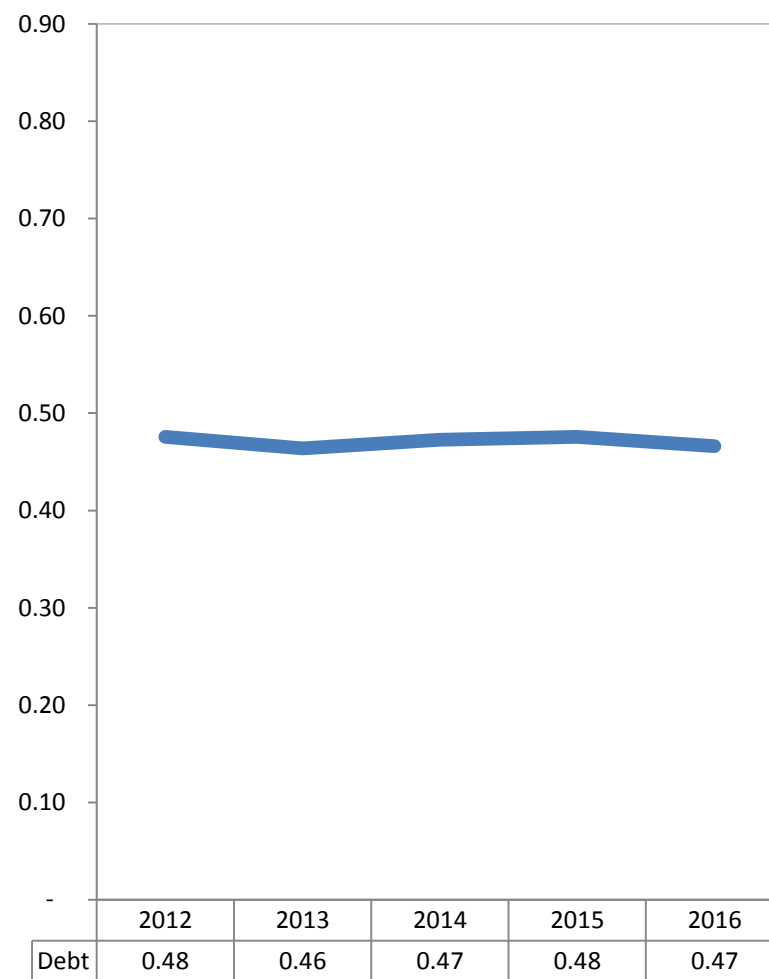
Financial Statement Return on Equity
(Net Income/Shareholders' Equity)

ENBRIDGE	UNION	NRG	INDUSTRY
0.70	0.64	0.40	0.67
0.47	0.47	0.53	0.47
1.48	2.06	1.72	1.69
2.07	2.33	5.23	2.19
2.26%	2.58%	2.81%	2.40%
7.17%	11.39%	9.22%	8.69%

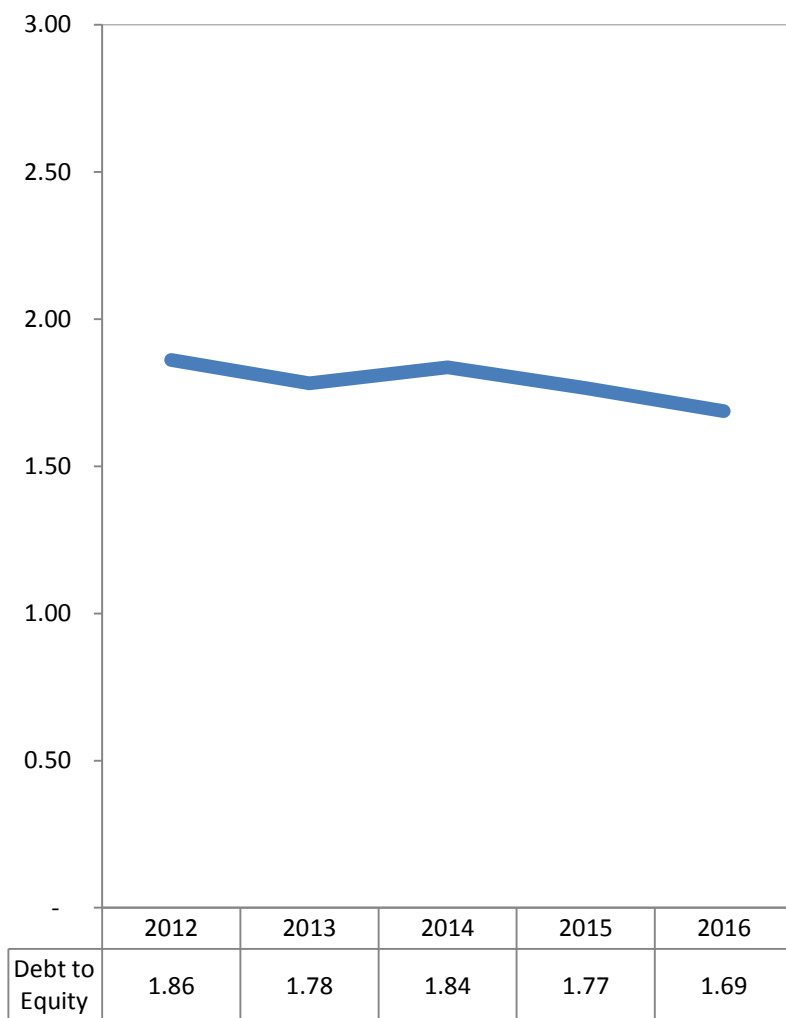
Current Ratio
(Current Assets/Current Liabilities)



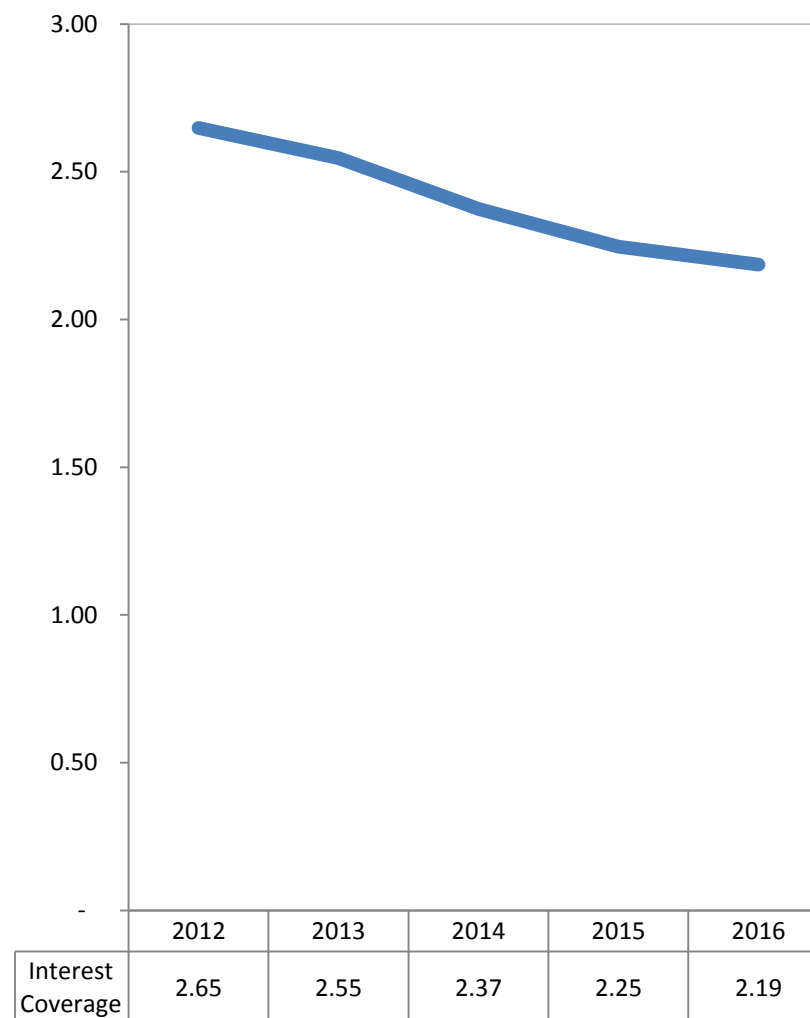
Debt Ratio
(Total Debt/Total Assets)



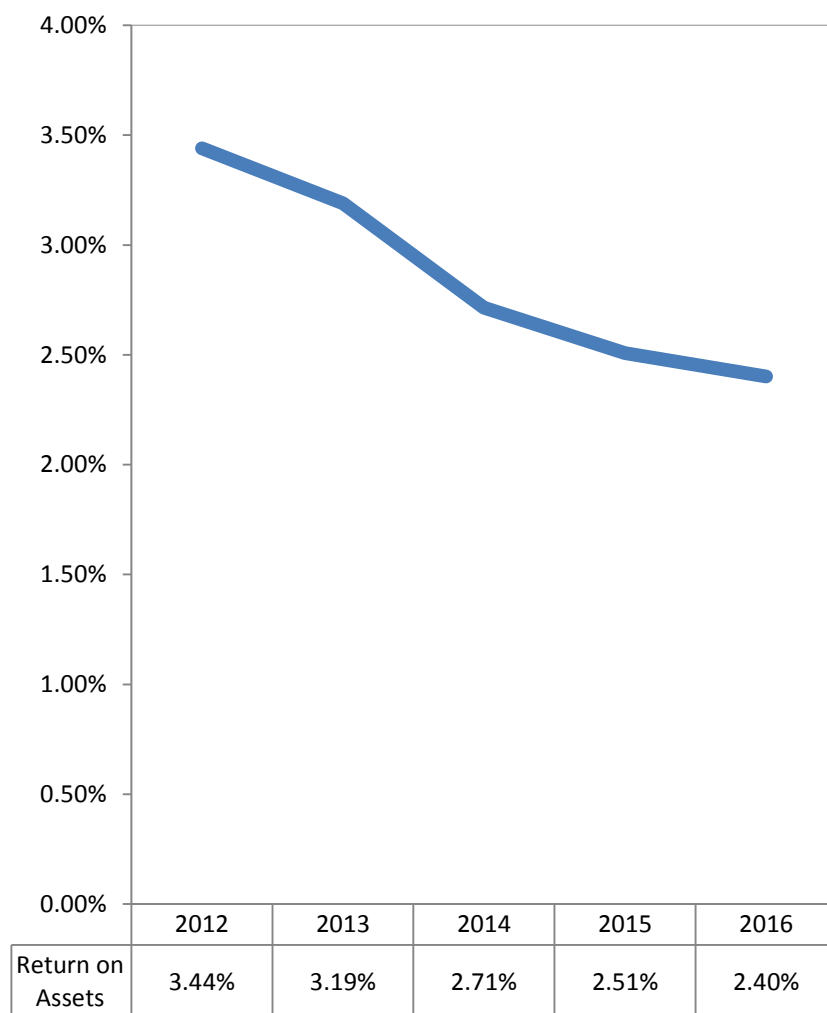
**Debt to Equity Ratio
(Total Debt/Equity)**



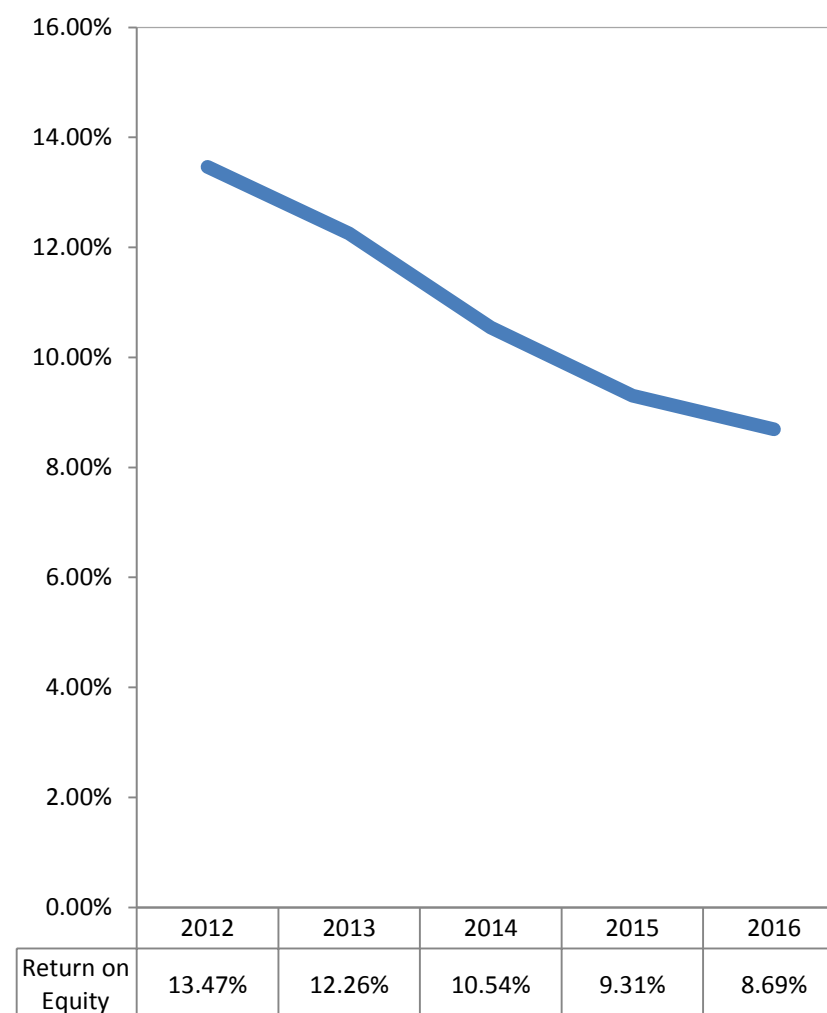
**Interest Coverage
(EBIT/Interest Charges)**



**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 ¹

For year ended December 31

	ENBRIDGE	UNION	NRG	INDUSTRY
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

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 Volumes ²

In million cubic meters

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

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

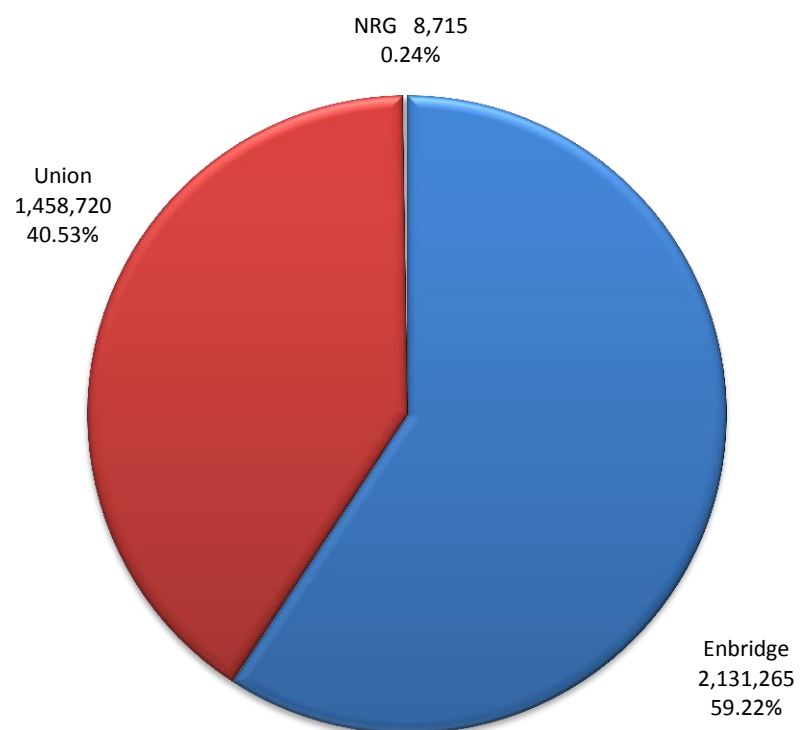
	ENBRIDGE	UNION	NRG	INDUSTRY
Low Volume	2,009,329	1,355,618	8,637	3,373,584
Large Volume	6,457	5,732	6	12,195

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

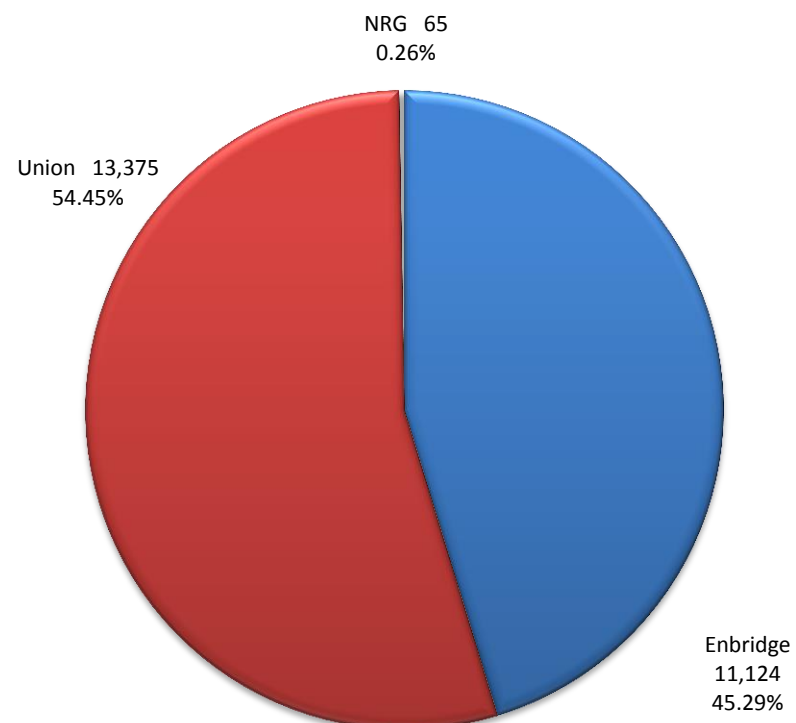
Low Volume Customer - Less than 50,000 cubic meters/year.

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

Number of Customers



**Gas Volumes
in million cubic meters**



Service Quality Requirements

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

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