

CITY OF KITCHENER
GAS UTILITY
VARIANCE REPORT
for the six months ended June 30, 2023

GAS DELIVERY	2023 Approved Budget	2023 Budget as at June	2023 Actual as at June	2023 Variance as at June	2023 % Variance as at June	2023 Projected Year End Surplus/(Deficit)	Comments
Core Revenue	44,772,769	24,754,326	24,331,247	(423,079)	-1.7%	(423,000)	Current and projected year end deficit due to warmer than expected winter thereby reducing volume of gas sold.
Other Revenue	140,505	84,101	119,712	35,611	42.3%	36,000	
REVENUE	44,913,274	24,838,427	24,450,959	(387,468)	-1.6%	(387,000)	
Operating Expense	19,554,162	9,615,213	9,252,600	362,613	3.8%	(550,000)	Current surplus due to staff vacancies. Projected year end deficit due to additional locator costs expected to be incurred this year.
Transfer to Capital	13,704,000	6,852,000	6,851,695	305	0.0%	1,000	
Dividend Transfer to City	15,846,926	7,923,463	7,923,463	-	0.0%	-	
EXPENSE	49,105,088	24,390,676	24,027,758	362,918	1.5%	(549,000)	
Net Revenue (Expense)*	(4,191,814)	447,751	423,201	(24,550)	-5.5%	(936,000)	

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.

OTHER PROGRAMS (Rental Water Heaters and KU Dispatch)	2023 Approved Budget	2023 Budget as at June	2023 Actual as at June	2023 Variance as at June	2023 % Variance as at June	2023 Projected Year End Surplus/(Deficit)	Comments
Core Revenue	13,431,951	6,652,899	7,224,526	571,627	8.6%	1,012,000	Current and projected year end surplus due to increased rental and warranty recovery revenues than anticipated.
REVENUE	13,431,951	6,652,899	7,224,526	571,627	8.6%	1,012,000	
Operating Expense	9,639,005	4,733,537	5,178,609	(445,072)	-9.4%	(1,737,000)	Current and projected deficit due to higher depreciation costs and increased carrying costs. Projected year end deficit includes a potential net book value write-down.
EXPENSE	9,639,005	4,733,537	5,178,609	(445,072)	-9.4%	(1,737,000)	
Net Revenue (Expense)*	3,792,946	1,919,362	2,045,917	126,555	6.6%	(725,000)	

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.

GAS SUPPLY	2023 Approved Budget	2023 Budget as at June	2023 Actual as at June	2023 Variance as at June	2023 % Variance as at June	2023 Projected Year End Surplus/(Deficit)	Comments
Core Revenue	45,084,183	27,525,392	26,883,482	(641,910)	-2.3%	(642,000)	Current and year end projected deficit due to warmer than expected winter thereby reducing volume of gas sold.
REVENUE	45,084,183	27,525,392	26,883,482	(641,910)	-2.3%	(642,000)	
Operating Expense	44,943,715	27,526,921	25,466,803	2,060,118	7.5%	4,315,000	Current and year end projected surplus due to lower volumes of gas sold in addition to favourable hedging strategies.
EXPENSE	44,943,715	27,526,921	25,466,803	2,060,118	7.5%	4,315,000	
Net Revenue (Expense)*	140,468	(1,529)	1,416,679	1,418,208	92754.0%	3,673,000	

*Net Revenue (Expense) amount will be transferred to the stabilization reserve at the end of the year.