

**CITY OF KITCHENER
GAS UTILITY
VARIANCE REPORT
for the nine months ended September 30, 2023**

GAS DELIVERY	2023	2023	2023	2023	2023	2023	Comments
	Approved Budget	Budget as at September	Actual as at September	Variance as at September	% Variance as at September	Projected Year End Surplus/(Deficit)	
Core Revenue	44,772,769	31,913,588	31,756,539	(157,049)	-0.5%	801,000	Current and projected deficit due to warmer than expected winter thereby reducing volume of gas sold. Projected year end surplus due to rate increase as of September.
Other Revenue	184,706	146,019	236,349	90,330	61.9%	95,000	
REVENUE	44,957,475	32,059,607	31,992,888	(66,719)	-0.2%	896,000	
Operating Expense	19,606,458	14,437,156	14,018,155	419,001	2.9%	(111,000)	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	10,278,000	10,277,543	457	0.0%	1,000	
Dividend Transfer to City	15,846,926	11,885,195	11,885,195	-	0.0%	-	
EXPENSE	49,157,384	36,600,351	36,180,893	419,458	1.1%	(110,000)	
Net Revenue (Expense)*	(4,199,909)	(4,540,744)	(4,188,005)	352,739	7.8%	786,000	

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

OTHER PROGRAMS (Rental Water Heaters and KU Dispatch)	2023	2023	2023	2023	2023	2023	Comments
	Approved Budget	Budget as at September	Actual as at September	Variance as at September	% Variance as at September	Projected Year End Surplus/(Deficit)	
Core Revenue	13,431,951	10,003,420	10,768,663	765,243	7.6%	923,000	Current and projected year end surplus due to increased rental and warranty recovery revenues than anticipated.
REVENUE	13,431,951	10,003,420	10,768,663	765,243	7.6%	923,000	
Operating Expense	9,639,005	7,063,399	7,913,963	(850,565)	-12.0%	(2,215,000)	Current and projected deficit due to higher depreciation costs and provision for write-down of assets.
EXPENSE	9,639,005	7,063,399	7,913,963	(850,565)	-12.0%	(2,215,000)	
Net Revenue (Expense)*	3,792,946	2,940,022	2,854,699	(85,322)	-2.9%	(1,292,000)	

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

GAS SUPPLY	2023	2023	2023	2023	2023	2023	Comments
	Approved Budget	Budget as at September	Actual as at September	Variance as at September	% Variance as at September	Projected Year End Surplus/(Deficit)	
Core Revenue	45,084,183	30,574,501	30,522,618	(51,883)	-0.2%	(2,338,000)	Year end projected deficit due to warmer than expected winter thereby reducing volume of gas sold, in addition to a reduction in the rate as of September.
REVENUE	45,084,183	30,574,501	30,522,618	(51,883)	-0.2%	(2,338,000)	
Operating Expense	44,943,715	30,711,037	28,703,405	2,007,632	6.5%	4,204,000	Current and year end projected surplus due to lower volumes of gas sold in addition to favourable hedging strategies.
EXPENSE	44,943,715	30,711,037	28,703,405	2,007,632	6.5%	4,204,000	
Net Revenue (Expense)*	140,468	(136,536)	1,819,213	1,955,749	1432.4%	1,866,000	

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