

**CITY OF KITCHENER**  
**GAS UTILITY**  
**VARIANCE REPORT**  
for the year ended December 31, 2023

<b>GAS DELIVERY</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	
	<b>Approved</b>	<b>Actual</b>	<b>Surplus/</b>	<b>% Variance</b>	<b>Comments</b>
	<b>Budget</b>		<b>(Deficit)</b>		
Core Revenue	44,772,769	45,021,399	248,630	0.6%	Positive variance due to rate increase in November which is slightly offset by lower than budgeted volumes sold.
Other Revenue	198,224	22,879	(175,345)	-88.5%	Negative variance due to write off of long outstanding receivable.
<b>REVENUE</b>	<b>44,970,993</b>	<b>45,044,278</b>	<b>73,285</b>	<b>0.2%</b>	
Operating Expense	19,606,458	19,811,799	(205,341)	-1.0%	Negative variance due to additional locator costs incurred during the year.
Transfer to Capital	13,704,000	13,703,390	610	0.0%	
Dividend Transfer to City	15,846,926	15,846,926	-	0.0%	
<b>EXPENSE</b>	<b>49,157,384</b>	<b>49,362,115</b>	<b>(204,731)</b>	<b>-0.4%</b>	
<b>Net Revenue (Expense)*</b>	<b>(4,186,391)</b>	<b>(4,317,837)</b>	<b>(131,446)</b>	<b>-3.1%</b>	

\*Net Revenue (Expense) amount has been transferred to the Gas Delivery stabilization reserve for year end.

<b>OTHER PROGRAMS</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	
(Rental Water Heaters and KU Dispatch)	<b>Approved</b>	<b>Actual</b>	<b>Surplus/</b>	<b>% Variance</b>	<b>Comments</b>
	<b>Budget</b>		<b>(Deficit)</b>		
Core Revenue	13,431,951	14,506,064	1,074,113	8.0%	Positive variance due to increased rental and warranty recovery revenues.
<b>REVENUE</b>	<b>13,431,951</b>	<b>14,506,064</b>	<b>1,074,113</b>	<b>8.0%</b>	
Operating Expense	9,639,005	10,894,384	(1,255,379)	-13.0%	Negative variance due to higher depreciation costs and increased carrying costs.
<b>EXPENSE</b>	<b>9,639,005</b>	<b>10,894,384</b>	<b>(1,255,379)</b>	<b>-13.0%</b>	
<b>Net Revenue (Expense)*</b>	<b>3,792,946</b>	<b>3,611,680</b>	<b>(181,266)</b>	<b>-4.8%</b>	

\*Net Revenue (Expense) amount has been transferred to the Gas Delivery stabilization reserve for year end.

<b>GAS SUPPLY</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	
	<b>Approved</b>	<b>Actual</b>	<b>Surplus/</b>	<b>% Variance</b>	<b>Comments</b>
	<b>Budget</b>		<b>(Deficit)</b>		
Core Revenue	45,084,183	41,928,727	(3,155,456)	-7.0%	Negative variance due to warmer than expected winter thereby reducing volume of gas sold, in addition to a rate reduction in November.
<b>REVENUE</b>	<b>45,084,183</b>	<b>41,928,727</b>	<b>(3,155,456)</b>	<b>-7.0%</b>	
Operating Expense	44,943,715	40,044,139	4,899,576	10.9%	Positive variance due to lower volumes of gas sold in addition to favourable hedging strategies.
<b>EXPENSE</b>	<b>44,943,715</b>	<b>40,044,139</b>	<b>4,899,576</b>	<b>10.9%</b>	
<b>Net Revenue (Expense)*</b>	<b>140,468</b>	<b>1,884,588</b>	<b>1,744,120</b>	<b>1241.6%</b>	

\*Net Revenue (Expense) amount has been transferred to the Gas Supply stabilization reserve for year end.