

## Appendix A | Operating Budget



**Comparative Budget by Division  
Budget 2023**

|                                              | 2022<br>Annual<br>Budget | 2022<br>Year-End<br>Projection | 2022<br>Restatements | 2022<br>Restated<br>Budget | 2023<br>Annual<br>Budget | \$ Change<br>vs. Restated<br>Budget | % Change<br>vs. Restated<br>Total Budget | Commentary<br>Budget 2023 compared to Restated Budget 2022<br>(comments provided for changes over \$100,000)                               |
|----------------------------------------------|--------------------------|--------------------------------|----------------------|----------------------------|--------------------------|-------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>CHIEF ADMINISTRATOR'S OFFICE</b>          |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                            |
| CAO OFFICE-GENERAL                           | 1,176,251                | 1,176,251                      | 1,401                | 1,177,652                  | 1,203,421                | 25,769                              | 2.19%                                    |                                                                                                                                            |
| <b>CHIEF ADMINISTRATOR'S OFFICE TOTAL</b>    | <b>1,176,251</b>         | <b>1,176,251</b>               | <b>1,401</b>         | <b>1,177,652</b>           | <b>1,203,421</b>         | <b>25,769</b>                       | <b>2.19%</b>                             |                                                                                                                                            |
| <b>COMMUNITY SERVICES DEPARTMENT</b>         |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                            |
| COMMUNITY SERVICES ADMINISTRATION            | 710,077                  | 710,077                        | 81,456               | 791,533                    | 838,337                  | 46,804                              | 5.91%                                    |                                                                                                                                            |
| BY-LAW ENFORCEMENT                           | 2,526,368                | 2,526,368                      | 55                   | 2,526,423                  | 2,869,769                | 343,346                             | 13.59%                                   | Budget increase due to additional resources related to improved response to bylaw complaints and increased property standards enforcement. |
| CORPORATE CUSTOMER SERVICE                   | 741,126                  | 591,126                        | (226)                | 740,900                    | 753,806                  | 12,906                              | 1.74%                                    |                                                                                                                                            |
| FIRE                                         | 37,950,294               | 37,950,294                     | 19,097               | 37,969,391                 | 39,256,568               | 1,287,177                           | 3.39%                                    | Budget increase due to additional fire suppression staff.                                                                                  |
| NEIGHBOURHOOD PROGRAMS & SERVICES            | 8,465,623                | 8,695,623                      | (18,542)             | 8,447,081                  | 9,370,433                | 923,352                             | 10.93%                                   | Budget increase due to staffing for new community centre.                                                                                  |
| SPORT DIVISION                               | 2,091,990                | 4,271,990                      | 34,892               | 2,126,882                  | 2,251,404                | 124,522                             | 5.85%                                    | Budget increase due to compensation costs.                                                                                                 |
| <b>COMMUNITY SERVICES DEPT TOTAL</b>         | <b>52,485,478</b>        | <b>54,745,478</b>              | <b>116,732</b>       | <b>52,602,210</b>          | <b>55,340,317</b>        | <b>2,738,107</b>                    | <b>5.21%</b>                             |                                                                                                                                            |
| <b>FINANCIAL SERVICES DEPARTMENT</b>         |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                            |
| FINANCIAL SERVICES ADMINISTRATION            | 344,019                  | 344,019                        | 760                  | 344,779                    | 350,523                  | 5,744                               | 1.67%                                    |                                                                                                                                            |
| FINANCIAL OPERATIONS                         | 1,149,309                | 1,149,309                      | 2,398                | 1,151,707                  | 1,166,350                | 14,643                              | 1.27%                                    |                                                                                                                                            |
| ASSET MANAGEMENT & BUSINESS SOLUTIONS        | 727,464                  | 632,464                        | 85,022               | 812,486                    | 823,152                  | 10,666                              | 1.31%                                    |                                                                                                                                            |
| FINANCIAL PLANNING & REPORTING               | 1,175,717                | 1,175,717                      | 3,379                | 1,179,096                  | 1,221,091                | 41,995                              | 3.56%                                    |                                                                                                                                            |
| REVENUE                                      | 270,931                  | 220,931                        | (82,737)             | 188,194                    | 237,675                  | 49,481                              | 26.29%                                   |                                                                                                                                            |
| SUPPLY SERVICES                              | 424,589                  | 424,589                        | 64                   | 424,653                    | 431,205                  | 6,552                               | 1.54%                                    |                                                                                                                                            |
| <b>FINANCIAL SERVICES DEPT TOTAL</b>         | <b>4,092,029</b>         | <b>3,947,029</b>               | <b>8,886</b>         | <b>4,100,915</b>           | <b>4,229,996</b>         | <b>129,081</b>                      | <b>3.15%</b>                             |                                                                                                                                            |
| <b>CORPORATE SERVICES DEPARTMENT</b>         |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                            |
| CORPORATE SERVICES ADMINISTRATION            | 553,663                  | 553,663                        | -                    | 553,663                    | 553,428                  | (235)                               | -0.04%                                   |                                                                                                                                            |
| EQUITY, ANTI-RACISM & INDIGENOUS INITIATIVES | 649,035                  | 649,035                        | 676                  | 649,711                    | 764,519                  | 114,808                             | 17.67%                                   | Budget increase due to compensation costs.                                                                                                 |
| MAYOR & COUNCIL                              | 1,500,410                | 1,460,410                      | (757)                | 1,499,653                  | 1,639,997                | 140,344                             | 9.36%                                    | Budget increase due to additional communications/government relations position.                                                            |
| CORPORATE COMMUNICATIONS                     | 1,412,195                | 1,642,195                      | 14,966               | 1,427,161                  | 1,628,206                | 201,045                             | 14.09%                                   | Budget increase due to additional resource to support hybrid Council meetings & corporate videography.                                     |
| HUMAN RESOURCES                              | 2,518,222                | 2,548,222                      | 10,308               | 2,528,530                  | 3,043,006                | 514,476                             | 20.35%                                   | Budget increase due to additional resources for the recruiting and retaining of City staff.                                                |
| TECHNOLOGY INNOVATION & SERVICES             | 5,825,241                | 5,765,241                      | 4,719                | 5,829,960                  | 5,919,789                | 89,829                              | 1.54%                                    |                                                                                                                                            |
| LEGAL                                        | 1,038,565                | 1,038,565                      | 105                  | 1,038,670                  | 1,063,378                | 24,708                              | 2.38%                                    |                                                                                                                                            |
| LEGISLATED SERVICES                          | 1,326,520                | 1,451,520                      | (3,910)              | 1,322,610                  | 1,332,366                | 9,756                               | 0.74%                                    |                                                                                                                                            |
| <b>CORPORATE SERVICES DEPT TOTAL</b>         | <b>14,823,851</b>        | <b>15,108,851</b>              | <b>26,107</b>        | <b>14,849,958</b>          | <b>15,944,689</b>        | <b>1,094,731</b>                    | <b>7.37%</b>                             |                                                                                                                                            |
| <b>DEVELOPMENT SERVICES DEPARTMENT</b>       |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                            |
| DEVELOPMENT SERVICES ADMINISTRATION          | 1,134,926                | 1,174,926                      | 86                   | 1,135,012                  | 1,203,189                | 68,177                              | 6.01%                                    |                                                                                                                                            |
| ECONOMIC DEVELOPMENT                         | 6,028,937                | 6,028,937                      | 33,762               | 6,062,699                  | 6,359,911                | 297,212                             | 4.90%                                    | Budget increase due to compensation and increases in grants to others organizations.                                                       |
| ENGINEERING ADMINISTRATION                   | (56,817)                 | (306,817)                      | 1,520                | (55,297)                   | (104,759)                | (49,462)                            | 89.45%                                   |                                                                                                                                            |
| PLANNING                                     | 1,682,440                | 1,462,440                      | 8,677                | 1,691,117                  | 1,692,717                | 1,600                               | 0.09%                                    |                                                                                                                                            |
| TRANSPORTATION SERVICES                      | 4,557,368                | 4,497,368                      | 2,043                | 4,559,411                  | 3,906,946                | (652,465)                           | -14.31%                                  | Budget decrease due to the savings in electricity from implementing LED streetlights.                                                      |
| <b>DEVELOPMENT SERVICES DEPT TOTAL</b>       | <b>13,346,854</b>        | <b>12,856,854</b>              | <b>46,088</b>        | <b>13,392,942</b>          | <b>13,058,004</b>        | <b>(334,938)</b>                    | <b>-2.50%</b>                            |                                                                                                                                            |

**Comparative Budget by Division  
Budget 2023**

|                                                 | 2022<br>Annual<br>Budget | 2022<br>Year-End<br>Projection | 2022<br>Restatements | 2022<br>Restated<br>Budget | 2023<br>Annual<br>Budget | \$ Change<br>vs. Restated<br>Budget | % Change<br>vs. Restated<br>Total Budget | Commentary<br>Budget 2023 compared to Restated Budget 2022<br>(comments provided for changes over \$100,000)                           |
|-------------------------------------------------|--------------------------|--------------------------------|----------------------|----------------------------|--------------------------|-------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>INFRASTRUCTURE SERVICES DEPARTMENT</b>       |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
| INFRASTRUCUTRE SERVICES ADMINISTRATION          | 701,153                  | 701,153                        | 603                  | 701,756                    | 702,679                  | 923                                 | 0.13%                                    |                                                                                                                                        |
| FACILITIES MANAGEMENT                           | 15,915,842               | 15,065,842                     | 172                  | 15,916,014                 | 16,594,099               | 678,085                             | 4.26%                                    | Budget increase due to increased utility costs and costs related to new/expanded City facilities (e.g. Huron Community Centre).        |
| PARKS & CEMETERIES                              | 17,813,957               | 18,173,957                     | 4,969                | 17,818,926                 | 19,525,425               | 1,706,499                           | 9.58%                                    | Budget increase due to increased equipment costs and costs related to new/expanded City facilities (e.g. Schlegel & Wallaceton Parks). |
| OPERATIONS - ROADS & TRAFFIC                    | 11,913,882               | 11,538,882                     | 419                  | 11,914,301                 | 12,825,069               | 910,768                             | 7.64%                                    | Budget increase due to increased equipment costs.                                                                                      |
| <b>INFRASTRUCTURE SERVICES DEPARTMENT TOTAL</b> | <b>46,344,834</b>        | <b>45,479,834</b>              | <b>6,163</b>         | <b>46,350,997</b>          | <b>49,647,272</b>        | <b>3,296,275</b>                    | <b>7.11%</b>                             |                                                                                                                                        |
| <b>NET DEPARTMENTAL EXPENDITURES</b>            |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
|                                                 | <b>132,269,297</b>       | <b>133,314,297</b>             | <b>205,377</b>       | <b>132,474,674</b>         | <b>139,423,699</b>       | <b>6,949,025</b>                    | <b>5.25%</b>                             |                                                                                                                                        |
| <b>GENERAL EXPENSES</b>                         |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
| GRANTS & BOARDS                                 | 15,843,573               | 15,888,573                     | 38,538               | 15,882,111                 | 16,781,037               | 898,926                             | 5.66%                                    | Budget increase due to inflationary increase to Boards & grants.                                                                       |
| GAPPING                                         | (2,100,000)              | (5,065,000)                    | -                    | (2,100,000)                | (2,100,000)              | -                                   | 0.00%                                    |                                                                                                                                        |
| CAPITAL AND RESERVE FINANCING                   | 13,896,306               | 13,896,306                     | -                    | 13,896,306                 | 16,273,277               | 2,376,971                           | 17.11%                                   | Budget increase due to increased funding for capital program and transfers to reserves.                                                |
| CONTRACT SERVICES                               | 782,679                  | 997,679                        | -                    | 782,679                    | 968,790                  | 186,111                             | 23.78%                                   | Budget increase due to inflationary increase for Humane Society contract.                                                              |
| TAX WRITEOFFS & REBATES                         | 78,050                   | 68,050                         | -                    | 78,050                     | 78,050                   | -                                   | 0.00%                                    |                                                                                                                                        |
| PROVISIONS - BAD DEBT ALLOWANCE                 | 650,000                  | 722,000                        | -                    | 650,000                    | 850,000                  | 200,000                             | 30.77%                                   | Budget increase due to higher bad debt allowance.                                                                                      |
| OTHER                                           | 1,832,094                | 3,717,094                      | (109,351)            | 1,722,743                  | 2,832,156                | 1,109,413                           | 64.40%                                   | Budget increase due to funding for strategic options and compensation costs.                                                           |
| <b>GENERAL EXPENSES TOTAL</b>                   | <b>30,982,702</b>        | <b>30,224,702</b>              | <b>(70,813)</b>      | <b>30,911,889</b>          | <b>35,683,310</b>        | <b>4,771,421</b>                    | <b>15.44%</b>                            |                                                                                                                                        |
| <b>TOTAL NET EXPENSES</b>                       | <b>163,251,999</b>       | <b>163,538,999</b>             | <b>134,564</b>       | <b>163,386,563</b>         | <b>175,107,009</b>       | <b>11,720,446</b>                   | <b>7.17%</b>                             |                                                                                                                                        |
| <b>GENERAL REVENUES</b>                         |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
| <b>TAXES</b>                                    |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
| GENERAL LEVY                                    | (137,151,611)            | (137,151,611)                  | -                    | (137,151,611)              | (139,749,262)            | (2,597,651)                         | 1.89%                                    | Budget increase due to assessment growth.                                                                                              |
| SUPPLEMENTARY TAXES/WRITE-OFFS                  | (1,050,000)              | (1,050,000)                    | -                    | (1,050,000)                | (1,050,000)              | -                                   | 0.00%                                    |                                                                                                                                        |
| LOCAL IMPROVEMENTS                              | (10,180)                 | (10,180)                       | -                    | (10,180)                   | -                        | 10,180                              | -100.00%                                 |                                                                                                                                        |
| PAYMENTS IN LIEU                                | (4,466,200)              | (4,606,200)                    | -                    | (4,466,200)                | (4,594,700)              | (128,500)                           | 2.88%                                    | Budget increase due to additional PIL buildings.                                                                                       |
|                                                 | <b>(142,677,991)</b>     | <b>(142,817,991)</b>           | <b>-</b>             | <b>(142,677,991)</b>       | <b>(145,393,962)</b>     | <b>(2,715,971)</b>                  | <b>1.90%</b>                             |                                                                                                                                        |
| <b>OTHER REVENUE</b>                            |                          |                                |                      |                            |                          |                                     |                                          |                                                                                                                                        |
| INVESTMENT INCOME                               | (4,040,000)              | (4,690,000)                    | -                    | (4,040,000)                | (5,458,000)              | (1,418,000)                         | 35.10%                                   | Budget increase due to rising interest rates increasing the 3-year average for investment income.                                      |
| PENALTIES AND INTEREST                          | (3,358,964)              | (4,008,964)                    | -                    | (3,358,964)                | (4,126,143)              | (767,179)                           | 22.84%                                   | Budget increase due to higher penalties & interest charges.                                                                            |
| CONTRIBUTIONS FROM RESERVES AND ENTERPRISES     | (12,697,641)             | (12,697,641)                   | -                    | (12,697,641)               | (12,883,097)             | (185,456)                           | 1.46%                                    | Budget increase due to inflationary increases in contribution from enterprises.                                                        |
| SUNDRY INCOME                                   | (120,753)                | (145,753)                      | -                    | (120,753)                  | (124,059)                | (3,306)                             | 2.74%                                    |                                                                                                                                        |
| SOLAR ROOF                                      | (356,650)                | (356,650)                      | -                    | (356,650)                  | (363,783)                | (7,133)                             | 2.00%                                    |                                                                                                                                        |
|                                                 | <b>(20,574,008)</b>      | <b>(21,899,008)</b>            | <b>-</b>             | <b>(20,574,008)</b>        | <b>(22,955,082)</b>      | <b>(2,381,074)</b>                  | <b>11.57%</b>                            |                                                                                                                                        |
| <b>GENERAL REVENUES TOTAL</b>                   | <b>(163,251,999)</b>     | <b>(164,716,999)</b>           | <b>-</b>             | <b>(163,251,999)</b>       | <b>(168,349,044)</b>     | <b>(5,097,045)</b>                  | <b>3.12%</b>                             |                                                                                                                                        |
| <b>GRAND TOTAL</b>                              | <b>-</b>                 | <b>(1,178,000)</b>             | <b>134,564</b>       | <b>134,564</b>             | <b>6,757,965</b>         | <b>6,623,401</b>                    |                                          |                                                                                                                                        |

**CITY OF KITCHENER  
BUILDING ENTERPRISE  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                    | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Budget<br>2024 | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
|--------------------------------------------|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| <b>REVENUE</b>                             |                |                   |                |                |                |                |                |
| Building Permit Revenue                    | 5,023          | 5,170             | 3,370          | 4,968          | 6,096          | 6,384          | 6,665          |
| Interest Income                            | 16             | 25                | 12             | 23             | 47             | 49             | 54             |
| Total Revenue                              | 5,039          | 5,194             | 3,382          | 4,991          | 6,143          | 6,433          | 6,719          |
| <b>EXPENSES</b>                            |                |                   |                |                |                |                |                |
| Direct                                     | 5,359          | 4,608             | 5,663          | 5,700          | 5,834          | 6,010          | 6,051          |
| Indirect                                   | 1,109          | 1,109             | 1,121          | 1,144          | 1,167          | 1,190          | 1,214          |
| Total Expenses                             | 6,468          | 5,717             | 6,784          | 6,844          | 7,001          | 7,200          | 7,265          |
| <b>Net Revenue (Expense)</b>               | <b>(1,430)</b> | <b>(523)</b>      | <b>(3,402)</b> | <b>(1,853)</b> | <b>(858)</b>   | <b>(766)</b>   | <b>(545)</b>   |
| * Transfer (to)/from Stabilization Reserve | 1,430          | 523               | 3,402          | 1,853          | 858            | 766            | 545            |
| <b>Overall Enterprise Result</b>           | <b>-</b>       | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>STABILIZATION RESERVE FUND</b>          |                |                   |                |                |                |                |                |
| Opening Balance                            | 14,560         | 14,560            | 13,554         | 10,539         | 8,986          | 8,384          | 7,857          |
| * Add: Transfer (to)/from Enterprise       | (1,430)        | (523)             | (3,402)        | (1,853)        | (858)          | (766)          | (545)          |
| Less: Transfer to Streamline Project       |                | (625)             |                |                |                |                |                |
| Add: Interest revenue/(expense)            | 142            | 142               | 386            | 300            | 256            | 239            | 224            |
| <b>Closing Balance</b>                     | <b>13,273</b>  | <b>13,554</b>     | <b>10,539</b>  | <b>8,986</b>   | <b>8,384</b>   | <b>7,857</b>   | <b>7,535</b>   |
| Minimum Benchmark (100% of expenses)       | 6,468          | 5,717             | 6,784          | 6,844          | 7,001          | 7,200          | 7,265          |
| Maximum Benchmark (150% of expenses)       | 9,703          | 8,576             | 10,176         | 10,266         | 10,501         | 10,800         | 10,897         |
| Revenue Rate Assumption                    | 0%             | 0%                | 0%             | 0%             | 0%             | 0%             | 0%             |

**CITY OF KITCHENER  
GOLF ENTERPRISE  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                    | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Budget<br>2024 | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
|--------------------------------------------|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| <b>OPERATIONS</b>                          |                |                   |                |                |                |                |                |
| Revenue                                    | 2,471          | 2,581             | 2,517          | 2,636          | 2,674          | 2,711          | 2,749          |
| Expenses                                   | 2,303          | 2,452             | 2,287          | 2,322          | 2,356          | 2,392          | 2,428          |
|                                            | 168            | 129               | 229            | 314            | 318            | 319            | 321            |
| <b>OTHER EXPENSES</b>                      |                |                   |                |                |                |                |                |
| Transfer - Golf Cart Repl. Reserve         | 90             | 90                | 91             | 93             | 95             | 97             | 99             |
| Debt Charges                               | 217            | 216               | 217            | 217            | 217            | 217            | 217            |
| Transfer to Capital                        | 249            | 249               | 333            | 189            | 200            | 116            | 118            |
|                                            | 556            | 555               | 641            | 499            | 512            | 430            | 434            |
| <b>Net Profit (Loss) before Dividend</b>   | (388)          | (426)             | (412)          | (185)          | (194)          | (111)          | (112)          |
| Dividend Transfer to City                  | 75             | 75                | 75             | 75             | 75             | 75             | 75             |
| <b>Net Revenue (Expense)</b>               | <b>(463)</b>   | <b>(500)</b>      | <b>(487)</b>   | <b>(260)</b>   | <b>(269)</b>   | <b>(185)</b>   | <b>(187)</b>   |
| Safe Restart Phase 2 funding               | -              | 500               |                |                |                |                |                |
| * Transfer (to)/from Stabilization Reserve | 463            | -                 | 487            | 260            | 269            | 185            | 187            |
| <b>Overall Enterprise Result</b>           | <b>-</b>       | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>STABILIZATION RESERVE FUND</b>          |                |                   |                |                |                |                |                |
| Opening Balance                            | (1,041)        | (1,041)           | (1,060)        | (1,560)        | (1,837)        | (2,129)        | (2,338)        |
| * Add: Transfer (to)/from Enterprise       | (463)          | -                 | (487)          | (260)          | (269)          | (185)          | (187)          |
| Less: Interest Expense                     | (13)           | (19)              | (13)           | (18)           | (22)           | (24)           | (27)           |
| <b>Closing Balance</b>                     | <b>(1,517)</b> | <b>(1,060)</b>    | <b>(1,560)</b> | <b>(1,837)</b> | <b>(2,129)</b> | <b>(2,338)</b> | <b>(2,552)</b> |
| Minimum Benchmark (10% of total revenue)   | 247            | 258               | 252            | 264            | 267            | 271            | 275            |
| Maximum Benchmark (15% of total revenue)   | 371            | 387               | 377            | 395            | 401            | 407            | 412            |

**CITY OF KITCHENER  
PARKING ENTERPRISE  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                    | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Budget<br>2024 | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
|--------------------------------------------|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| <b>REVENUE</b>                             |                |                   |                |                |                |                |                |
| Parking Revenue                            | 5,697          | 4,381             | 5,035          | 5,464          | 5,748          | 5,948          | 6,157          |
| Other                                      | 666            | 642               | 765            | 783            | 815            | 829            | 845            |
| Downtown Parking Subsidies                 | 1,261          | 1,261             | 1,296          | 1,315          | 1,335          | 1,355          | 1,376          |
| Total Revenue                              | <b>7,624</b>   | <b>6,284</b>      | <b>7,096</b>   | <b>7,563</b>   | <b>7,898</b>   | <b>8,132</b>   | <b>8,378</b>   |
| <b>EXPENSES</b>                            |                |                   |                |                |                |                |                |
| General                                    | 4,662          | 4,527             | 4,717          | 4,903          | 5,040          | 5,187          | 5,343          |
| Debt Charges                               | 674            | 674               | 674            | 674            | 673            | 674            | 677            |
| Transfers to Capital fund                  | 1,281          | 1,281             | 1,236          | 925            | 1,077          | 1,091          | 1,107          |
| Total Expenses                             | <b>6,616</b>   | <b>6,482</b>      | <b>6,627</b>   | <b>6,503</b>   | <b>6,790</b>   | <b>6,952</b>   | <b>7,127</b>   |
| <b>Net Profit before Dividend</b>          | 1,007          | (198)             | 469            | 1,060          | 1,108          | 1,180          | 1,251          |
| <b>Dividend Transfer to City</b>           | 2,000          | 2,000             | 2,000          | 2,000          | 2,000          | 2,000          | 2,000          |
| <b>Net Revenue (Expense)</b>               | <b>(993)</b>   | <b>(2,198)</b>    | <b>(1,531)</b> | <b>(940)</b>   | <b>(892)</b>   | <b>(820)</b>   | <b>(749)</b>   |
| * Transfer (to)/from Stabilization Reserve | <b>993</b>     | <b>2,198</b>      | <b>1,531</b>   | <b>940</b>     | <b>892</b>     | <b>820</b>     | <b>749</b>     |
| <b>Overall Enterprise Result</b>           | <b>-</b>       | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>STABILIZATION RESERVE FUND</b>          |                |                   |                |                |                |                |                |
| Opening Balance                            | 1,556          | 1,556             | 1,585          | 99             | (838)          | (1,754)        | (2,623)        |
| * Add: Transfer (to)/from Enterprise       | (993)          | (2,198)           | (1,531)        | (940)          | (892)          | (820)          | (749)          |
| Add: Interest Revenue (Expense)            | 29             | 29                | 45             | 3              | (24)           | (50)           | (74)           |
| Add: Safe Restart Funding                  |                | 2,198             |                |                |                |                |                |
| <b>Closing Balance</b>                     | <b>592</b>     | <b>1,585</b>      | <b>99</b>      | <b>(838)</b>   | <b>(1,754)</b> | <b>(2,623)</b> | <b>(3,446)</b> |
| Minimum Benchmark (10% of total revenue)   | 762            | 628               | 710            | 756            | 790            | 813            | 838            |
| Maximum Benchmark (15% of total revenue)   | 1,144          | 943               | 1,064          | 1,134          | 1,185          | 1,220          | 1,257          |

**CITY OF KITCHENER  
WATER UTILITY  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                                | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Subject to WIP Update |                |                |                |
|--------------------------------------------------------|----------------|-------------------|----------------|-----------------------|----------------|----------------|----------------|
|                                                        |                |                   |                | Budget<br>2024        | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
| <b>REVENUE AND EXPENSES</b>                            |                |                   |                |                       |                |                |                |
| Sale of Water                                          | 48,633         | 50,792            | 50,584         | 52,621                | 54,742         | 56,949         | 59,820         |
| Water Supply                                           | 24,174         | 25,676            | 24,960         | 26,308                | 27,608         | 28,970         | 30,401         |
| Gross Profit                                           | 24,459         | 25,116            | 25,624         | 26,313                | 27,134         | 27,979         | 29,419         |
| GROSS PROFIT %                                         | 50.3%          | 49.4%             | 50.7%          | 50.0%                 | 49.6%          | 49.1%          | 49.2%          |
| <b>MISCELLANEOUS REVENUE</b>                           |                |                   |                |                       |                |                |                |
| Other Revenue                                          | 495            | 505               | 472            | 487                   | 502            | 518            | 538            |
| <b>EXPENSES</b>                                        |                |                   |                |                       |                |                |                |
| Administration                                         | 2,751          | 2,511             | 3,132          | 3,202                 | 3,313          | 3,390          | 3,397          |
| Maintenance                                            | 8,257          | 8,831             | 8,578          | 8,927                 | 9,288          | 9,663          | 10,053         |
| Transfer to capital (Road Reconstruction)              | 11,020         | 11,020            | 11,692         | 12,406                | 13,162         | 13,965         | 14,817         |
| Transfer to capital (Other)                            | 3,465          | 3,465             | 3,540          | 3,685                 | 6,657          | 7,126          | 3,110          |
|                                                        | 25,493         | 25,827            | 26,942         | 28,220                | 32,420         | 34,144         | 31,377         |
| <b>Net Revenue (Expense)</b>                           | <b>(539)</b>   | <b>(206)</b>      | <b>(846)</b>   | <b>(1,420)</b>        | <b>(4,784)</b> | <b>(5,647)</b> | <b>(1,420)</b> |
| * Transfer (to)/from Stabilization Reserve             | 539            | 206               | 846            | 1,420                 | 4,784          | 5,647          | 1,420          |
| <b>Overall Enterprise Result</b>                       | <b>-</b>       | <b>-</b>          | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>STABILIZATION RESERVE FUND</b>                      |                |                   |                |                       |                |                |                |
| Opening Balance                                        | 7,425          | 7,425             | 7,431          | 6,797                 | 5,571          | 946            | (4,674)        |
| * Add: Transfer (to)/from Enterprise                   | (539)          | (206)             | (846)          | (1,420)               | (4,784)        | (5,647)        | (1,420)        |
| Add: Interest revenue(expense)                         | 77             | 212               | 212            | 194                   | 159            | 27             | (133)          |
| <b>Closing Balance</b>                                 | <b>6,963</b>   | <b>7,431</b>      | <b>6,797</b>   | <b>5,571</b>          | <b>946</b>     | <b>(4,674)</b> | <b>(6,227)</b> |
| Minimum Benchmark (10% of total revenue)               | 4,863          | 5,079             | 5,058          | 5,262                 | 5,474          | 5,695          | 5,982          |
| Maximum Benchmark (15% of total revenue)               | 7,295          | 7,619             | 7,588          | 7,893                 | 8,211          | 8,542          | 8,973          |
| <b>CAPITAL RESERVE FUND</b>                            |                |                   |                |                       |                |                |                |
| Opening Balance                                        | 5,409          | 5,409             | 5,071          | 5,001                 | 4,218          | 200            | -              |
| Add: Capital closeouts                                 |                | (60)              | -              | -                     | -              | -              | -              |
| Less: Transfer to Capital                              | (400)          | (400)             | (190)          | (884)                 | (4,023)        | (200)          | -              |
| Add: Interest revenue(expense)                         | 63             | 122               | 120            | 101                   | 5              | -              | -              |
| <b>Closing Balance</b>                                 | <b>5,072</b>   | <b>5,071</b>      | <b>5,001</b>   | <b>4,218</b>          | <b>200</b>     | <b>-</b>       | <b>-</b>       |
| Minimum Benchmark (50% avg balance in 10 yr forecast)  | 8,902          | 8,902             | 9,533          | 9,533                 | 9,533          | 9,533          | 9,533          |
| Maximum Benchmark (150% avg balance in 10 yr forecast) | 26,705         | 26,705            | 28,600         | 28,600                | 28,600         | 28,600         | 28,600         |
| % Increase in Water Retail Rate                        | 1.40%          |                   | 3.20%          | 3.00%                 | 3.00%          | 3.00%          | 4.00%          |
| % Increase in Region Wholesale Rate                    | 2.90%          |                   | 2.90%          | 3.90%                 | 3.90%          | 3.90%          | 3.90%          |
| % Increase in Consumption                              | 0.79%          |                   | 0.78%          | 1.00%                 | 1.00%          | 1.00%          | 1.00%          |

**CITY OF KITCHENER  
SANITARY UTILITY  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                                | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Subject to WIP Update |                |                |                |
|--------------------------------------------------------|----------------|-------------------|----------------|-----------------------|----------------|----------------|----------------|
|                                                        |                |                   |                | Budget<br>2024        | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
| <b>REVENUE AND EXPENSES</b>                            |                |                   |                |                       |                |                |                |
| Sewer Surcharge                                        | 60,765         | 63,461            | 62,464         | 65,296                | 68,256         | 71,353         | 74,228         |
| Cost of Sewage Processing                              | 33,521         | 31,744            | 35,165         | 37,556                | 39,796         | 42,171         | 43,832         |
| Gross Profit                                           | 27,244         | 31,717            | 27,299         | 27,740                | 28,460         | 29,182         | 30,396         |
| GROSS PROFIT %                                         | 45%            | 50%               | 44%            | 42%                   | 42%            | 41%            | 41%            |
| <b>MISCELLANEOUS REVENUE</b>                           |                |                   |                |                       |                |                |                |
| Other Revenue                                          | 1,165          | 1,259             | 1,408          | 1,466                 | 1,515          | 1,567          | 1,613          |
| <b>EXPENSES</b>                                        |                |                   |                |                       |                |                |                |
| Administration                                         | 2,556          | 2,575             | 2,910          | 2,937                 | 3,005          | 3,080          | 3,146          |
| Maintenance                                            | 5,562          | 5,291             | 5,809          | 6,044                 | 6,288          | 6,542          | 6,806          |
| Sewage Rebates                                         | 851            | 887               | 895            | 913                   | 945            | 978            | 1,012          |
| Transfer to capital (Road Reconstruction)              | 16,352         | 16,352            | 17,350         | 18,408                | 19,531         | 20,722         | 21,987         |
| Transfer to capital (Other)                            | 3,151          | 3,151             | 5,196          | 2,171                 | 2,178          | 2,554          | 2,545          |
|                                                        | 28,472         | 28,256            | 32,160         | 30,473                | 31,947         | 33,876         | 35,496         |
| <b>Net Revenue (Expense)</b>                           | <b>(63)</b>    | <b>4,720</b>      | <b>(3,453)</b> | <b>(1,267)</b>        | <b>(1,972)</b> | <b>(3,127)</b> | <b>(3,487)</b> |
| * Transfer (to)/from Stabilization Reserve             | 63             | (4,720)           | 3,453          | 1,267                 | 1,972          | 3,127          | 3,487          |
| <b>Overall Enterprise Result</b>                       | -              | -                 | -              | -                     | -              | -              | -              |
| <b>STABILIZATION RESERVE FUND</b>                      |                |                   |                |                       |                |                |                |
| Opening Balance                                        | 9,270          | 9,270             | 9,519          | 6,337                 | 5,251          | 3,429          | 400            |
| * Add: Transfer (to)/from Enterprise                   | (63)           | 4,720             | (3,453)        | (1,267)               | (1,972)        | (3,127)        | (3,487)        |
| Add: Interest revenue(expense)                         | 96             | 264               | 271            | 181                   | 150            | 98             | 11             |
| Less: Transfer to capital reserve                      | (188)          | (4,735)           | -              | -                     | -              | -              | -              |
| <b>Closing Balance</b>                                 | <b>9,115</b>   | <b>9,519</b>      | <b>6,337</b>   | <b>5,251</b>          | <b>3,429</b>   | <b>400</b>     | <b>(3,076)</b> |
| Minimum Benchmark (10% of total revenue)               | 6,077          | 6,346             | 6,246          | 6,530                 | 6,826          | 7,135          | 7,423          |
| Maximum Benchmark (15% of total revenue)               | 9,115          | 9,519             | 9,370          | 9,794                 | 10,238         | 10,703         | 11,134         |
| <b>CAPITAL RESERVE FUND</b>                            |                |                   |                |                       |                |                |                |
| Opening Balance                                        | 12,384         | 12,384            | 15,640         | 12,976                | 10,220         | 5,348          | 3,020          |
| Add: Excess from stabilization reserve                 | 188            | 4,735             | -              | -                     | -              | -              | -              |
| Add: Capital closeouts                                 | -              | 43                | -              | -                     | -              | -              | -              |
| Less: Transfer to capital                              | (1,782)        | (1,782)           | (2,974)        | (3,000)               | (5,000)        | (2,400)        | (1,500)        |
| Add: Interest revenue(expense)                         | 128            | 260               | 310            | 244                   | 128            | 72             | 37             |
| <b>Closing Balance</b>                                 | <b>10,918</b>  | <b>15,640</b>     | <b>12,976</b>  | <b>10,220</b>         | <b>5,348</b>   | <b>3,020</b>   | <b>1,557</b>   |
| Minimum Benchmark (50% avg balance in 10 yr forecast)  | 12,303         | 12,303            | 12,933         | 12,933                | 12,933         | 12,933         | 12,933         |
| Maximum Benchmark (150% avg balance in 10 yr forecast) | 36,910         | 36,910            | 38,799         | 38,799                | 38,799         | 38,799         | 38,799         |
| % Increase in Retail Sewer Rate                        | 1.60%          |                   | 2.00%          | 3.50%                 | 3.50%          | 3.50%          | 3.00%          |
| % Increase in Region Wholesale Rate                    | 2.90%          |                   | 4.90%          | 4.90%                 | 4.90%          | 4.90%          | 2.90%          |
| % Increase in Consumption                              | 0.79%          |                   | 0.78%          | 1.00%                 | 1.00%          | 1.00%          | 1.00%          |

**CITY OF KITCHENER  
STORMWATER UTILITY  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                                | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Subject to WIP Update |                 |                 |                 |
|--------------------------------------------------------|----------------|-------------------|----------------|-----------------------|-----------------|-----------------|-----------------|
|                                                        |                |                   |                | Budget<br>2024        | Budget<br>2025  | Budget<br>2026  | Budget<br>2027  |
| <b>REVENUE</b>                                         |                |                   |                |                       |                 |                 |                 |
| Stormwater Charge                                      | 23,306         | 23,532            | 25,396         | 26,979                | 28,654          | 30,434          | 32,326          |
| Other Revenue                                          | 787            | 708               | 1,007          | 1,054                 | 1,104           | 1,157           | 1,213           |
|                                                        | 24,093         | 24,240            | 26,403         | 28,033                | 29,758          | 31,591          | 33,539          |
| <b>EXPENSES</b>                                        |                |                   |                |                       |                 |                 |                 |
| Administration                                         | 2,470          | 2,583             | 2,821          | 2,894                 | 3,085           | 3,112           | 2,972           |
| Maintenance                                            | 4,303          | 4,017             | 4,965          | 5,191                 | 5,427           | 5,674           | 5,932           |
| Storm Water Credit Program                             | 591            | 623               | 641            | 679                   | 720             | 763             | 809             |
| Grants to Charities/Places of Worship                  | 584            | 520               | 634            | 672                   | 712             | 755             | 800             |
| Transfer to capital (Road Reconstruction)              | 3,979          | 3,979             | 10,371         | 6,298                 | 6,583           | 7,566           | 9,574           |
| Transfer to capital (Other)                            | 12,065         | 12,065            | 8,175          | 14,724                | 25,221          | 23,494          | 9,053           |
|                                                        | 23,992         | 23,787            | 27,607         | 30,458                | 41,748          | 41,364          | 29,140          |
| <b>Net Revenue (Expense)</b>                           | <b>101</b>     | <b>453</b>        | <b>(1,204)</b> | <b>(2,425)</b>        | <b>(11,990)</b> | <b>(9,773)</b>  | <b>4,399</b>    |
| * Transfer (to)/from Stabilization Reserve             | (101)          | (453)             | 1,204          | 2,425                 | 11,990          | 9,773           | (4,399)         |
| <b>Overall Enterprise Result</b>                       | -              | -                 | -              | -                     | -               | -               | -               |
| <b>STABILIZATION RESERVE FUND</b>                      |                |                   |                |                       |                 |                 |                 |
| Opening Balance                                        | 1,028          | 1,028             | 1,510          | 349                   | (2,066)         | (14,115)        | (24,290)        |
| * Add: Transfer (to)/from Enterprise                   | 101            | 453               | (1,204)        | (2,425)               | (11,990)        | (9,773)         | 4,399           |
| Add: Interest revenue(expense)                         | 11             | 29                | 43             | 10                    | (59)            | (402)           | (692)           |
| <b>Closing Balance</b>                                 | <b>1,140</b>   | <b>1,510</b>      | <b>349</b>     | <b>(2,066)</b>        | <b>(14,115)</b> | <b>(24,290)</b> | <b>(20,583)</b> |
| Minimum Benchmark (10% of total revenue)               | 2,331          | 2,353             | 2,540          | 2,698                 | 2,865           | 3,043           | 3,233           |
| Maximum Benchmark (15% of total revenue)               | 3,496          | 3,530             | 3,809          | 4,047                 | 4,298           | 4,565           | 4,849           |
| <b>CAPITAL RESERVE FUND</b>                            |                |                   |                |                       |                 |                 |                 |
| Opening Balance                                        | 3,124          | 3,124             | 6,777          | -                     | -               | -               | -               |
| Add: Capital closeouts                                 | -              | 3,705             | -              | -                     | -               | -               | -               |
| Less: Transfer to capital                              | (170)          | (170)             | (6,777)        | -                     | -               | -               | -               |
| Add: Interest revenue(expense)                         | 35             | 118               | -              | -                     | -               | -               | -               |
| <b>Closing Balance</b>                                 | <b>2,989</b>   | <b>6,777</b>      | <b>-</b>       | <b>-</b>              | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| Minimum Benchmark (50% avg balance in 10 yr forecast)  | 8,898          | 8,898             | 10,292         | 10,292                | 10,292          | 10,292          | 10,292          |
| Maximum Benchmark (150% avg balance in 10 yr forecast) | 26,693         | 26,693            | 30,877         | 30,877                | 30,877          | 30,877          | 30,877          |
| % Increase in Retail Stormwater Rate                   | 6.00%          |                   | 8.00%          | 6.00%                 | 6.00%           | 6.00%           | 6.00%           |
| % Growth - Residential                                 | 0.25%          |                   | 0.25%          | 0.25%                 | 0.25%           | 0.25%           | 0.25%           |
| % Growth - Non Residential                             | 0.25%          |                   | 0.25%          | 0.25%                 | 0.25%           | 0.25%           | 0.25%           |

**CITY OF KITCHENER  
GASWORKS UTILITY  
5 YEAR OPERATING BUDGET PROJECTION**

| (000's)                                             | Budget<br>2022 | Projected<br>2022 | Budget<br>2023 | Budget<br>2024 | Budget<br>2025 | Budget<br>2026 | Budget<br>2027 |
|-----------------------------------------------------|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Gas Delivery</b>                                 |                |                   |                |                |                |                |                |
| Revenues                                            | 41,348         | 42,189            | 44,966         | 45,966         | 46,778         | 47,758         | 48,742         |
| Expenses                                            | 18,383         | 18,736            | 19,606         | 20,414         | 20,732         | 21,147         | 21,570         |
| Gross Profit                                        | 22,965         | 23,453            | 25,360         | 25,552         | 26,046         | 26,611         | 27,172         |
| Gross Profit %                                      | 55.54%         | 55.59%            | 56.40%         | 55.59%         | 55.68%         | 55.72%         | 55.75%         |
| <b>Other Programs</b>                               |                |                   |                |                |                |                |                |
| Revenues                                            | 12,276         | 12,827            | 13,432         | 13,687         | 13,946         | 14,211         | 14,482         |
| Expenses                                            | 8,609          | 10,817            | 9,639          | 9,818          | 10,000         | 10,186         | 10,376         |
| Gross Profit                                        | 3,667          | 2,010             | 3,793          | 3,869          | 3,946          | 4,025          | 4,106          |
| Gross Profit %                                      | 29.87%         | 15.67%            | 28.24%         | 28.27%         | 28.29%         | 28.32%         | 28.35%         |
| Transfer to Gas Capital                             | 12,989         | 12,989            | 13,704         | 13,361         | 13,317         | 13,617         | 13,445         |
| <b>Net Profit (Loss) before City Dividend</b>       | 13,643         | 12,474            | 15,449         | 16,060         | 16,675         | 17,019         | 17,833         |
| Dividend Transfer to City                           | 15,536         | 15,536            | 15,847         | 16,164         | 16,487         | 16,817         | 17,153         |
| <b>Net Revenue (Expense)</b>                        | <b>(1,893)</b> | <b>(3,062)</b>    | <b>(398)</b>   | <b>(104)</b>   | <b>188</b>     | <b>202</b>     | <b>680</b>     |
| * Transfer (to)/from Stabilization Reserve          | 1,893          | 3,062             | 398            | 104            | (188)          | (202)          | (680)          |
| <b>Overall Enterprise Result</b>                    | -              | -                 | -              | -              | -              | -              | -              |
| <b>STABILIZATION RESERVE FUND</b>                   |                |                   |                |                |                |                |                |
| Opening Balance                                     | 4,037          | 4,037             | 1,090          | 723            | 640            | 846            | 1,072          |
| * Add: Transfer (to)/from Enterprise                | (1,893)        | (3,062)           | (398)          | (104)          | 188            | 202            | 680            |
| Add: Interest revenue(expense)                      | 35             | 115               | 31             | 21             | 18             | 24             | 31             |
| <b>Closing Balance</b>                              | <b>2,179</b>   | <b>1,090</b>      | <b>723</b>     | <b>640</b>     | <b>846</b>     | <b>1,072</b>   | <b>1,783</b>   |
| Minimum Benchmark (10% delivery revenue)            | 4,135          | 4,219             | 4,497          | 4,597          | 4,678          | 4,776          | 4,874          |
| Maximum Benchmark (15% delivery revenue)            | 6,202          | 6,328             | 6,745          | 6,895          | 7,017          | 7,164          | 7,311          |
| <b>CAPITAL RESERVE FUND</b>                         |                |                   |                |                |                |                |                |
| Opening Balance                                     | 616            | 616               | 125            | 27             | 28             | 29             | 30             |
| Add: Capital closeouts                              | -              | 100               | -              | -              | -              | -              | -              |
| Add: Interest revenue(expense)                      | 5              | 9                 | 2              | 1              | 1              | 1              | 0              |
| Less: Transfer to capital                           | (400)          | (600)             | (100)          | -              | -              | -              | -              |
| <b>Closing Balance</b>                              | <b>221</b>     | <b>125</b>        | <b>27</b>      | <b>28</b>      | <b>29</b>      | <b>30</b>      | <b>30</b>      |
| Minimum Benchmark (50% avg balance in prior years)  | 6,900          | 6,900             | 6,913          | 6,913          | 6,913          | 6,913          | 6,913          |
| Maximum Benchmark (150% avg balance in prior years) | 20,600         | 20,600            | 20,740         | 20,740         | 20,740         | 20,740         | 20,740         |

**CITY OF KITCHENER  
GASWORKS UTILITY  
5 YEAR OPERATING BUDGET PROJECTION**

| <b>Gas Supply</b><br>(000's)              | <b>Budget<br/>2022</b> | <b>Projected<br/>2022</b> | <b>Budget<br/>2023</b> | <b>Budget<br/>2024</b> | <b>Budget<br/>2025</b> | <b>Budget<br/>2026</b> | <b>Budget<br/>2027</b> |
|-------------------------------------------|------------------------|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Revenues                                  | 33,793                 | 39,561                    | 45,084                 | 46,408                 | 47,246                 | 48,544                 | 49,841                 |
| Expenses                                  | 35,535                 | 37,056                    | 44,944                 | 47,259                 | 48,204                 | 49,168                 | 50,152                 |
| <b>Net Revenue (Expense)</b>              | <b>(1,742)</b>         | <b>2,505</b>              | <b>140</b>             | <b>(851)</b>           | <b>(958)</b>           | <b>(624)</b>           | <b>(311)</b>           |
| *Transfer (to)/from Stabilization Reserve | <b>1,742</b>           | <b>(2,505)</b>            | <b>(140)</b>           | <b>851</b>             | <b>958</b>             | <b>624</b>             | <b>311</b>             |
| <b>Overall Enterprise Result</b>          | <b>-</b>               | <b>-</b>                  | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| Net Revenue %                             | -5.15%                 | 6.33%                     | 0.31%                  | -1.83%                 | -2.03%                 | -1.29%                 | -0.62%                 |
| <b>Gas Utility (Supply) Stabilization</b> |                        |                           |                        |                        |                        |                        |                        |
| Opening Balance                           | 3,600                  | 3,600                     | 6,208                  | 6,525                  | 5,860                  | 5,069                  | 4,588                  |
| * Add: Transfer (to)/from Enterprise      | (1,742)                | 2,505                     | 140                    | (851)                  | (958)                  | (624)                  | (311)                  |
| Add: Interest revenue(expense)            | 34                     | 103                       | 177                    | 186                    | 167                    | 144                    | 131                    |
| <b>Closing Balance</b>                    | <b>1,892</b>           | <b>6,208</b>              | <b>6,525</b>           | <b>5,860</b>           | <b>5,069</b>           | <b>4,589</b>           | <b>4,408</b>           |
| Minimum Benchmark (10% of total revenue)  | 3,379                  | 3,956                     | 4,508                  | 4,641                  | 4,725                  | 4,854                  | 4,984                  |
| Maximum Benchmark (15% of total revenue)  | 5,069                  | 5,934                     | 6,763                  | 6,961                  | 7,087                  | 7,282                  | 7,476                  |
| Gas Rate (January - July)                 | 16.00                  | 16.00                     | 20.85                  | 21.35                  | 21.85                  | 22.45                  | 23.1                   |
| Gas Rate (Aug - December)                 | 16.00                  | 21.45                     | 20.85                  | 21.35                  | 21.85                  | 22.45                  | 23.1                   |