C

1982 Annual Report

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

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The Company

Newfoundland Light & Power Co. Limited and its predecessor Companies have been providing electricity in Newfoundland since the first electric lights were turned on in St. John's in 1885. The Company serves 162,000 customers in over 600 communities in Newfoundland and has over 1,000 employees. Since the present Company was incorporated in 1966, it has spent about $290 million on capital works and its gross fixed assets (property, plant and equipment) at the end of 1982 were $350 million. The Company operates thirty generating plants and maintains almost 8,300 kilometres of distribution and transmission lines.

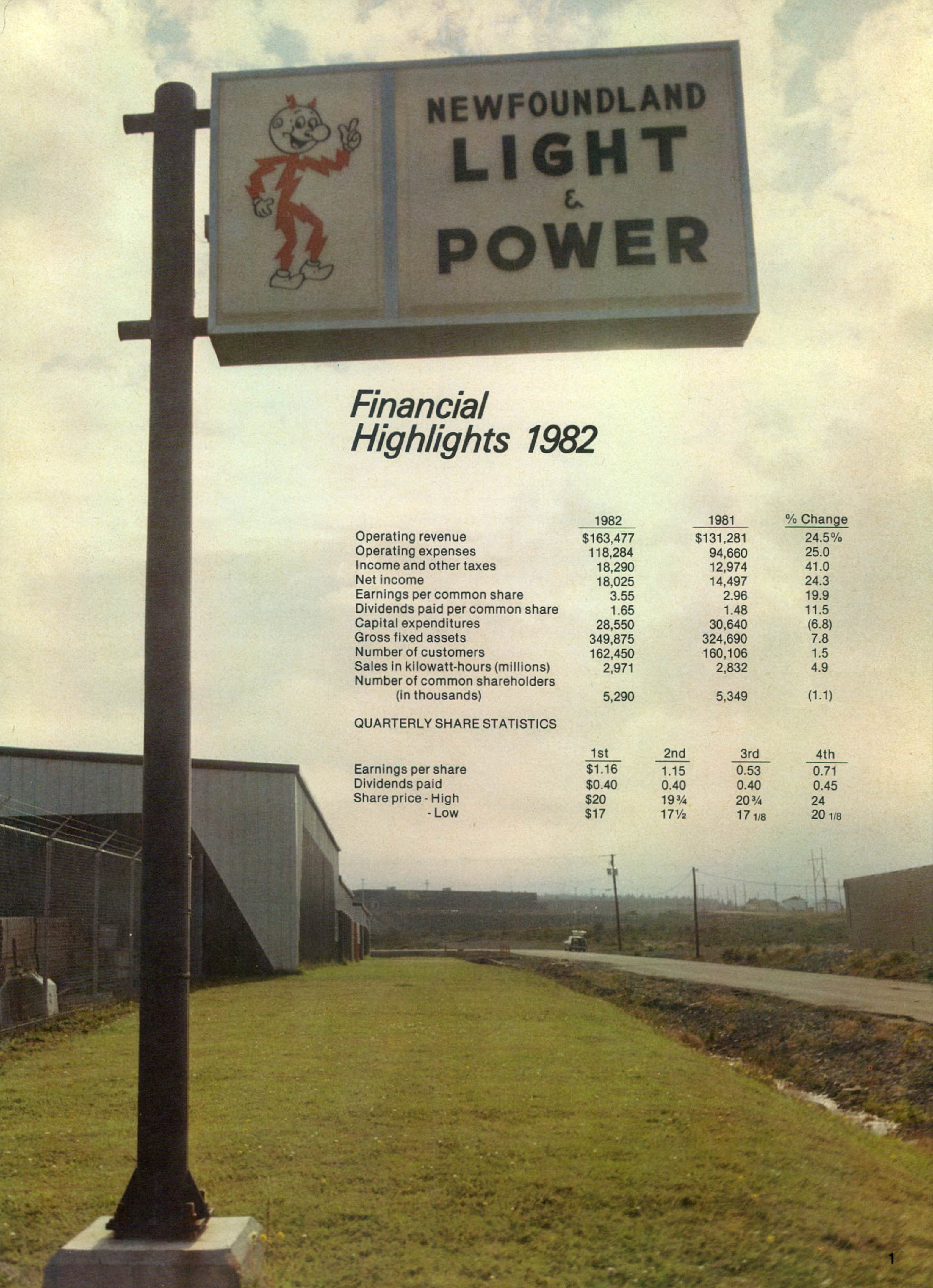
The Company's common shares are traded on the Toronto and Montreal Exchanges and its preference shares of Series A, B, D, E, F and I are traded on the Montreal Exchange. Over 99% of common shares are held in Canada by about 5,300 shareholders.

Common Share Distribution (1982)

	Shares	%	Shareholders	%
Newfoundland	489,250	12.3	964	18.2
Maritimes	1,140,325	28.6	2,250	42.6
Quebec	622,728	15.6	640	12.1
Ontario	1,318,498	33.1	970	18.3
Western	389,730	9.8	394	7.4
Total Canada	3,960,531	99.4	5218	98.6
Non-Resident	25,481	.6	72	1.4
Total	3,986,012	100.0	5,290	100.0

The Lighthouse at Fort Amherst at the entrance to St. John's Harbour faces "iceberg alley" on the Grand Banks.

Signs such as this one in Carbonear are a familiar sight in Newfoundland.



Financial Highlights 1982

	1982	1981	% Change
Operating revenue	$163,477	$131,281	24.5%
Operating expenses	118,284	94,660	25.0
Income and other taxes	18,290	12,974	41.0
Net income	18,025	14,497	24.3
Earnings per common share	3.55	2.96	19.9
Dividends paid per common share	1.65	1.48	11.5
Capital expenditures	28,550	30,640	(6.8)
Gross fixed assets	349,875	324,690	7.8
Number of customers	162,450	160,106	1.5
Sales in kilowatt-hours (millions)	2,971	2,832	4.9
Number of common shareholders (in thousands)	5,290	5,349	(1.1)

QUARTERLY SHARE STATISTICS

	1st	2nd	3rd	4th
Earnings per share	$1.16	1.15	0.53	0.71
Dividends paid	$0.40	0.40	0.40	0.45
Share price - High	$20	19¾	20¾	24
- Low	$17	17½	17 1/8	20 1/8

Report to Shareholders

The Company's earnings per common share increased by 19.9% in 1982. As a result of economic conditions and conservation there was virtually no growth in normalized sales, however the institution of stringent economic measures and reductions in capital expenditures resulted in achieving the rate of return on common equity permitted by regulation.

Although the provincial economy was affected by recession conditions in the areas in which its products are marketed, total investment in the province during the year is estimated to be approximately $1.7 billion.

The tragic loss of the semi-submersible drilling rig Ocean Ranger early in the year resulted in some curtailment in offshore oil and gas exploration in which an investment of $350 million was made.

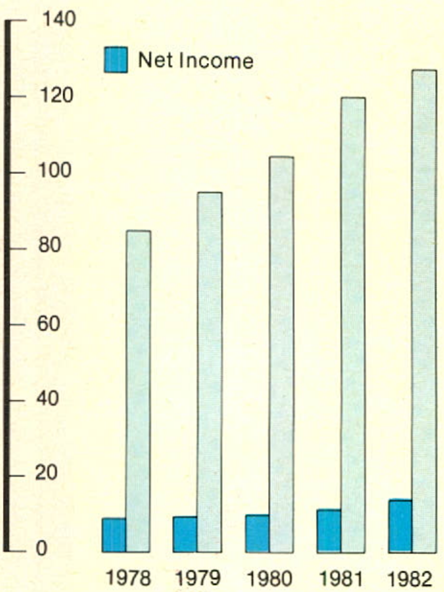
The downturn in the economy was reflected in an increase in the unemployment rate from 14.1% in 1981 to 16.9% in 1982. The value of the output of the mining industry declined by 40% from 1981 as a result of down time and closings in the iron ore, asbestos and copper mines. The production of pulp and paper decreased by 1% from that of 1981 despite the fact that, with the addition of the Stephenville plant, three mills were available for production during 1982. The real value of fishery production increased by 3.0% over that of the previous year reflecting increased quotas, however difficult market conditions and high carrying charges caused most producers to be in distressed conditions by the end of the year.

Despite the uncertain outlook there are positive economic factors for 1983. Total investment is forecast to remain relatively flat during the year although this could improve if gas and oil exploration expeditures are in the upper end of the $450 to $500 million forecast. The resolution of jurisdictional questions between the federal and provincial governments will enable the oil and gas companies concerned to commence plans for production. The outlook for the mining industry for 1983 is still uncertain and the value of mineral production in real terms is forecast to decline by 15 to 20% from that of 1982. In the pulp and paper industry, the permanent shutdown of one of the paper machines at Corner Brook will limit production and a decrease in real output for the complete forest sector of 18% is forecast. The implementation of the Federal Government report into the east coast fishing industry will result in strengthening its structure and lower interest rates should help producers. Some improvement in markets for fish products is seen and with increased quotas for Canadian Fishermen, an increase in the real value of production in the fishing industry is foreseen for 1983. Unfortunately unemployment in the province is expected to remain high and this is expected to affect trade in general.

The Company's forecast for 1983 indicates a moderate growth in total sales over that of 1982 when normalized for weather conditions. Although numbers of customers continue to grow, use per customer for domestic electric heating is expected to continue the declining trend due to insulation and other conservation measures. A positive factor is the forecast increase in housing starts in the province which will result in additional customers for the Company. Plans of the Company's larger industrial customers indicate some growth in the Company's general service revenue in 1983. However the level of the Company's total sales cannot be precisely forecast and could be affected by the amount of economic recovery, if any, experienced during 1983. While expenditures on oil and gas exploration are giving some support to business in general in the province, the Company expects that it will be some years before its load is directly affected by construction or production activity associated with offshore development.

SHAREHOLDERS INVESTMENT

(Millions of Dollars)



In 1982, the operating revenues of the Company increased by 24.5% to $163.5 million while operating expenses were up 25.0% to $118.3 million. Earnings per common share increased to $3.55 in 1982 from $2.96 in 1981. Dividends totalling $1.70 were declared on common shares, an increase of 11.5% over dividends declared in 1981.

The consolidation of Company departments at Head Office in St. John's has improved efficiency.

1982 capital expenditures were reduced from budget, reflecting late deliveries and the reduced rate of load growth. Actual capital expenditures were $28.6 million compared with $30.6 million in 1981. The major area of expenditures was the distribution system. In addition, $0.8 million was spent on the Company's programme to redevelop its hydro-electric system under the incentives provided in the Income Tax Act with the objective of conserving fuel. Environmental approval has been received for the construction of the Morris hydro-electric plant on the Mobile River watershed.

The predominant part of the Company's future power requirements will be supplied by Newfoundland & Labrador Hydro-Electric Corporation. Hydro's 84 megawatt Upper Salmon hydro-electric plant was placed in operation early in 1983. Also under construction is the Cat Arm hydro-electric plant which is scheduled to be completed in 1985. This will be the last major hydro project for the island portion of the province. Access to hydro-electric power from Labrador continues to depend on the outcome of litigation and on negotiations between the Province and Quebec and Canada. Although the slowing down of load growth has postponed the decision point, Newfoundland & Labrador Hydro will eventually have to construct a 150 megawatt oil-fired unit, if hydro-electric power from Labrador is not available in time to meet anticipated load growth.

The Company has been purchasing firm power from Bowater Power Company for over 30 years. This arrangement has been phased out over the past five years as the requirements of Bowater Paper Company increased and was terminated at the end of 1982. Discussions are being held with Bowater concerning the purchase of firm power while the mill's requirements are reduced. The Company will continue to purchase secondary energy from the Bowater hydro plants.

The curtailment of the Company's capital expenditures and improvements in its cash flow resulted in approximately 71.0% of capital expenditures being covered by funds generated internally. $7.5 million was raised through the sale of 17¾% first mortgage bonds with a term of 8 years. The Company continued to be able to maintain its planned proportion of common equity in its capitalization through retained earnings and through the various plans available to its shareholders and employees for investment in the Company's common shares. Some $1.0 million of common equity capital was raised through these plans in 1982. In 1983 a similar opportunity will be extended to a new group of investors through the inauguration of a Customer Share Purchase Plan.

Despite the economy measures taken by the Company, escalation in operating expenses and financing costs as a result of continued inflation necessitated an application by the Company to the Board of Commissioners of Public Utilities for a 4.6% increase in rates effective in 1983. After a public hearing in November, at the outset of which the Company, as a consequence of additional operating results and further economy measures revised downwards the increase for which it was applying, the Board approved a new schedule of rates effective January 1st, 1983 increasing rates by an average of 4.1%. In determining a just and reasonable rate of return on average rate base to be included in the Company's rates, the Board continued to use a rate of return on common equity of 17%. The Board also approved revisions in depreciation and the working capital allowance to be included in the rate base.

The Company's basic objective is to provide its customers with the best possible service at the lowest reasonable cost. Within this basic objective, the Company has set up the following financial goals:

A debt ratio of 45 to 50%, a common equity ratio of 35 to 40%, and a preference share ratio of 10 to 15%.

An interest coverage on total debt in the range of 3.4 to 3.8 times and coverage of total debt interest and preference dividends in the range of 2.1 to 2.5 times.

To improve the quality of the Company's earnings.

To improve the marketability of the Company's common equity.

The Company made good progress in 1982 in approaching these financial objectives. In fact, in respect of debt ratio and interest coverages on total debt and on total debt interest and preference dividends, the Company achieved the ranges specified in the objectives.

At its meeting of April 21st, 1982, the Board of Directors, in order to recognize increased responsibilities and to provide for an orderly management succession, approved the following appointments. Mr. A.D. Cameron as Deputy Chairman, Mr. D.S. Templeton as President, Mr. A.F. Ryan as Vice-President and General Manager, Mr. G.J. Adams as Vice-President Finance, Mr. C.W. Henry as Vice-President Operations, Mr. C.R. Vivian as Vice-President Rates and Customer Services, Mr. J.G. Evans as Vice-President Planning and Construction, Mr. K.S. Warr as Vice-President - Treasurer and Mr. M.A. Pavey as Vice-President Corporate Planning.

Mr. Douglas C. Hunt resigned as Director of the Company on January 28, 1983, upon his appointment as Judge of the Trial Division of the Supreme Court of Newfoundland. The Directors wish to express their appreciation for his twenty-eight years of service on the Board.

Your directors are very grateful for the good work done by the management and staff of the Company throughout an extremely challenging year.

Submitted on behalf of the Board

A. Bailey

A. Bailey
Chairman of the Board

D. S. Templeton

D.S. Templeton
President

Operations Report

Customer Services and Distribution

Actual kilowatt-hour sales in 1982 of 2971 GWh were 4.9% higher than in 1981. However, if both years are adjusted for abnormal weather conditions, 1982 sales would show a decline of 0.2% from the 1981 level. This is the first time in more than thirty years that a negative real growth has been experienced. This situation is attributable mainly to the deep and prolonged recession which affected the province and the nation throughout the year. Due to the poor economic climate, customer growth was lower than in recent years and all customer classes had lower rates of load growth. The greatest reduction took place in the industrial sector where many partial or complete shutdowns of facilities were experienced especially in the mining and fishing industries. A modest increase in load growth is anticipated for 1983 if there is some economic recovery.

Total customers served at year end increased by 2344 to 162,450. This represents a growth of only 1.5% compared to 2.3% in 1981 and an average annual growth rate of 3.9% since the formation of the present Company in 1966.

Customers continued their efforts to reduce their consumption in response to increasing rates. The decline in the average use of all-electric domestic customers which began in 1976 continued through 1982. The average use for regular domestic customers increased only slightly in 1982.

Electric heating was installed in 61% of all new residences connected during the year and 1500 existing residential customers converted to electric heat. At year end approximately 36% of households in our service area were using electricity as the principal means of space heating. Electric heat was also the choice for most of the new non-residential buildings connected during the year. It is expected that these trends will continue in 1983.

The new rates approved for implementation on January 1, 1983 contain several changes worthy of note. The Domestic rate will consist of a basic customer charge and one price per kilowatt-hour for all energy used; an element of peak load pricing will be introduced into the rates for general service loads over 100 kilowatts so that their billing demands will be related to their peak loads during the winter months; and complete uniformity of street and area lighting rates will be achieved.

A Customer Relations Training Program was carried out for 400 employees whose work involves frequent contacts with the public. A pre-training customer audit of a sample of customers indicated a high degree of satisfaction with the manner in which their contacts with the Company were handled. A similar post-training audit indicated improvement in the key contact areas of service connections and billing enquiries. The training will be extended to almost 100 additional employees in 1983.

A Customer Attitudinal Survey completed in 1982 showed that the perception of the Company by the general public was generally favourable and positive.

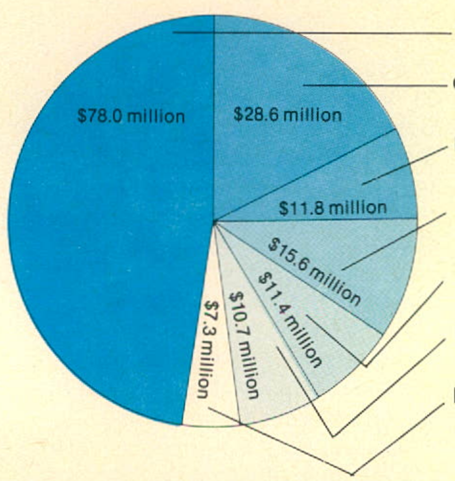
Power Supply

Energy produced and purchased during 1982 totalled 3161 million kilowatt hours a 5.3% increase over 1981. Of this total 12.1% was supplied by Company plants, 86.7% by Newfoundland & Labrador Hydro and 1.2% by Bowater Power Company Limited.

Production from the Company's hydro plants during 1982 was 382 million kilowatt hours, which exceeds the normal yearly production of 377 million kilowatt hours.

The absence of anticipated rainfall over the Bay D'Espoir watershed during the latter part of the year resulted in lower than expected production at Nfld. Hydro's Bay D'Espoir Plant. This situation was further aggravated by the requirement to hold as much water as possible in the Meelpaeg reservoir for use in the Upper Salmon Development scheduled to be on stream in January 1983. Water was also required to fill the dead storage associated with Upper

DISTRIBUTION OF REVENUE



	1982	1981
Power Purchased	47.7%	44.6%
Operations & Maintenance	17.5%	19.5%
Depreciation	7.2%	7.9%
Income Taxes	9.5%	8.4%
Finance Charges	7.0%	8.5%
Dividends	6.5%	6.8%
Earnings Reinvested in Business	4.6%	4.3%

Salmon. Consequently, we were requested to run our Southside Steam Plant for energy supply. It was placed in service for approximately 10 days and generated 1.8 million kilowatt hours.

On January 18, 1982, a new system peak of 748 MW was established surpassing the previous peak of 678 MW established in December 1980.

During the year 38.1 million kilowatt hours of firm energy was purchased from Bowater Power Company Limited. Over the last several years the amount of firm power supplied by Bowaters has been decreasing steadily and this is the last scheduled block under the power purchase contract. Recent economic developments, and the announced shut down of a paper machine at the Corner Brook Mill may result in some additional firm power being available in 1983. Secondary energy should still be available depending on weather and water inflows.


This mobile transformer at Gander shows specialized equipment responding to unusual electrical system conditions.

Capital

During 1982, capital expenditures decreased by 6.8% from 1981 to $28.6 million. At year end, total investment in plant after depreciation amounted to $263.4 million. About 57% of the 1982 capital expenditure, $16.3 million was spent on distribution where the system was extended and upgraded to provide service to new customers as well as improve service and reliability to existing customers. Included in the distribution expenditure is $650,000 covering the extension of service to cottage areas on the Avalon Peninsula and in the Corner Brook area.

1982 saw the Company place orders for hydro-electric turbine generators for the first time in 20 years. During the year, a commitment was made to develop the Morris site on the Mobile watershed approximately 40 km from St. John's. A 1070 kW unit was ordered for this site. A new 2250 kW unit was ordered for Topsail Plant to replace the existing 1200 kW machine while orders were placed for a 650 kW unit to replace 2-150 kW units at Lawn and a 2675 kW unit to replace 2-1300 kW units at Lookout Brook. Work on these projects incurred an expenditure of $800,000 in 1982 and will involve the expenditure of a further $6.7 million before they are completed in 1983. These projects are all eligible for the Federal Government accelerated tax write-off program for mini hydro. Further studies are in progress to determine other possible projects which could be completed prior to the program's scheduled termination at the end of 1984.

The forebay dams for our Pierres Brook and Seal Cove Plants were refurbished during 1982 at a cost of over $1.2 million.

The 50 year old double circuit 33 kV transmission circuit to Broad Cove, used initially to supply the Bell Island iron mines was replaced during the year with a new 66 kV circuit at a cost of $850,000. Also in 1982 construction was commenced on a 66 kV line between Virginia Waters Substation and Pepperrell Substation in St. John's which will improve system reliability in the east end of St. John's when complete in early February 1983. On the west coast of the province, the final stages of the reconstruction of the transmission circuit to the Port au Port Peninsula was completed and in Corner Brook a start was made on a circuit between Humber Substation and Bayview Substation, to improve system reliability in this area when complete in April 1983.

On the Burin Peninsula, 138 kV line was extended from Linton Lake Substation to Salt Pond Substation which was rebuilt for operation at the higher voltage. For the first time in recent years, line work on most major projects was carried out utilizing our own forces providing good training for our crews and cost-effective construction. The total expenditure on substations and transmission amounted to $7.0 million in 1982.

A new crew quarters and warehouse in our Port aux Basques district and a small depot for our Trepassey operations were constructed during the year.

A new computer system was ordered late in 1982 for delivery early in 1983. The new, more powerful system will replace the existing leased system installed in 1975.

A delay was incurred by the supplier on our control centre supervisory control equipment, which was expected by late 1982 and is now scheduled for mid 1983. The delay was in the software development for the computer based system.

The Board of Commissioners of Public Utilities has approved our 1983 capital budget with expenditures totalling $36.3 million.

Staff

The current Collective Agreement with I.B.E.W. Local 1620 covering the Company's operations and trades group expires on September 30, 1983. The same Union announced on August 2, 1982 that the second attempt to organize the office and technical employees was being dropped. Subsequently these employees formed their own organization, The Technical and Clerical Association (T.A.C.A.) to represent them in negotiations with the Company. The new group negotiated with the Company in December 1982 and an agreement was reached.

A lack of work brought about by the depressed economy made it necessary to lay off some of our regular staff during the early part of the year and again during the fall. Early in 1983 approximately 100 people were on temporary layoff. The Company anticipates that most of those people will be re-employed if construction activity resumes in the spring of 1983.

Including 63 people on temporary layoff the staff at year end stood at 1,019. During 1982 the Company appointed a full time Training Officer to put the Company's Training Programme on a more formal and regular basis. We continue to emphasize our safety programme and during 1982 two operating divisions achieved four years without a loss time accident and one other division two years.

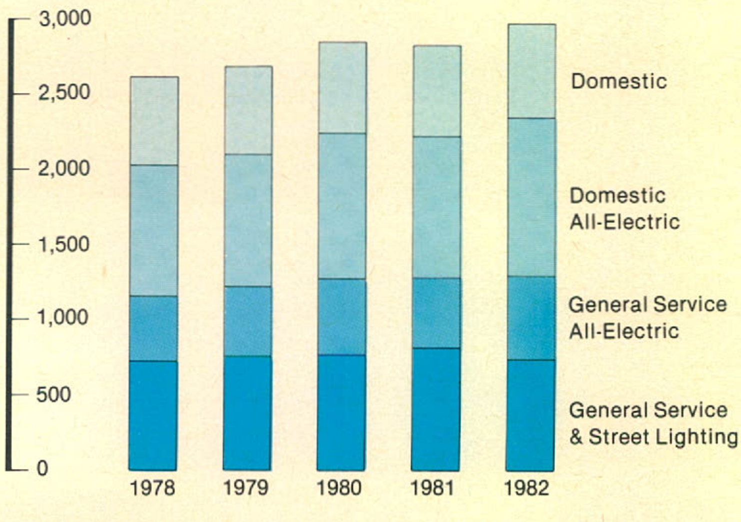
Stringent Economic Measures

The Company was concerned that the continuing effect of inflation combined with the declining rate of load growth would prevent it from reaching its financial objectives for the year and initiated a Stringent Measures Programme under the direction of a senior management committee, in 1982. An initial step in this programme was to reduce its forecasts for 1982 and 1983 by approximately $10 million in capital and about $2.5 million in operating.

A virtual hiring freeze was imposed and the employment of temporary personnel greatly curtailed. In addition employees were encouraged to meet certain target reductions in the area of vehicle use, travel and overtime. The employees are supporting this programme wholeheartedly and the work of the expense review committee will continue in 1983.

Woodstave pipes such as this one at Topsail are like long barrels and require special construction skills.

ENERGY SALES
(millions kWh)



Financial Review

The Company has achieved satisfactory financial results in 1982 despite a severely depressed economy in its service area. Operating revenue at $163.5 million was 24.5% higher than in 1981 and 80% of this revenue growth is attributable to price increases. Cooler than normal temperatures during the year increased electric heat sales which is the reverse of the condition experienced in 1981. When both years are adjusted to average temperatures the 1982 sales figures are 0.2% less than they were in 1981. This absence of load growth is a direct result of economic conditions.

Operating expenses were $118.3 million; a 25% increase over the prior year. The largest single expense — power purchased — increased by 33.2% to $78.0 million, of which $8.5 million arose from increases in both the volume and price of oil used in thermal production. Operating labour costs at $17.7 million in 1982 were up by 11.7% over 1981 while depreciation increased by 13% to $11.8 million. Reduced capital expenditures, the reduction in short term interest rates and improvement in operating cash flows combined to restrain the growth in net financing costs to 4.1%. The total provision for income tax, on the other hand, grew by 41.2% to $15.6 million. This represents 46.2% of income before tax but $776,235 of this was deferred.

Net income for the year of $18.0 million represents a growth of 24.3% over 1981. After providing $3.9 million for preferred dividends $14.1 million remained as applicable to common shares. On 3,957,142 average common shares outstanding this represents $3.55 per share which is a 19.9% increase over last year. Dividends amounting to $6.7 million or $1.70 per share were declared and the remainder of $7.4 million or $1.85 per share was retained and reinvested in the business. Reinvestment at this rate represents 40.6% of the net income for the year which compares with 38.6% for 1981.

Deteriorating economic conditions caused the Company to institute stringent restraints on all types of expenditure in the last half of the year. As a result only $28.6 million of an original budget of $34.5 million was spent on new fixed assets or the replacement of existing assets. Internal sources, mainly in the form of retained earnings, depreciation and deferred income tax, provided 71% of the funds used in the capital expenditure programme while the balance came from the external issue of securities. The private placement of 17¾% Series Z First Mortgage Bonds in August yielded $7.5 million. During the year the Dividend Reinvestment Plan, stock dividend programme and Employee Share Purchase Plan accounted for the sale of just over $1 million in common equity which is 24.3% more than provided by these sources in 1981.

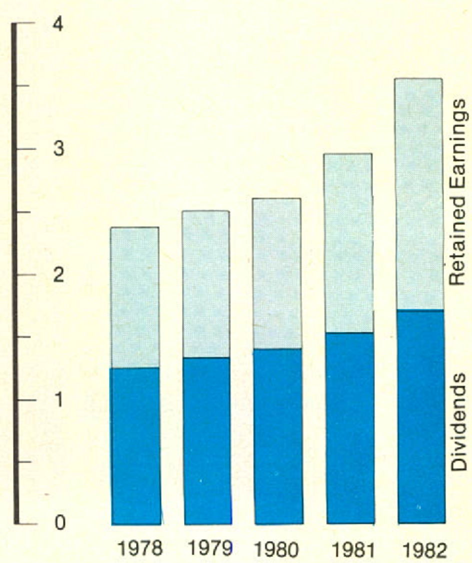
To meet the objective of having common equity between 35 and 40 percent of total capitalization it is necessary to sell new common shares each year. Dividend reinvestment, employee share purchases and stock dividends help to reach this goal. To further this objective the Company in December introduced a Customer Share Purchase Plan. Under this Plan customers, resident in Newfoundland, are entitled to purchase treasury shares at average market prices without brokerage commissions. Participants may invest up to $4,000 a year and shares are sold

	Number of Participants	Common Shareholders (%)	Investment
1978			
Dividend Reinvestment	738	13.8	$272,800
Employee Shares	148	—	60,100
1979			
Dividend Reinvestment	902	16.8	385,300
Employee Shares	152	—	82,000
1980			
Dividend Reinvestment	925	17.5	442,400
Stock Dividend	73	—	95,700
Employee Shares	148	—	80,600
1981			
Dividend Reinvestment	976	18.2	512,800
Stock Dividend	81	—	194,100
Employee Shares	172	—	107,200
1982			
Dividend Reinvestment	1,116	21.1	640,800
Stock Dividend	84	—	247,600
Employee Shares	185	—	123,000

Participation in the Dividend Reinvestment and Employee Share Purchase Plans and the Stock Dividend Programme is a significant source of new common equity.

EARNINGS PER SHARE

(Dollars)



quarterly coincident with dividend payment dates. The Plan has generated considerable interest and the early level of enrolments is very encouraging.

In December the Public Utilities Board issued an order (more fully described under "Regulation") which set the allowable return on average rate base for 1983 at between 12.75% and 13.0%. The Board stated that "... a rate of return on average common equity in a narrow range around 17% is appropriate to use in determining a just and reasonable return on average rate base...". While this allows a satisfactory return on common equity it does not guarantee that earnings will reach this level. Final results will in large measure be determined by the behaviour of the provincial economy during the year and the Company's ability to respond to and adjust for those changes which may have effects on its operation.

The matter of the disclosure of the effects of inflation on company financial results is much closer to resolution. Starting with the 1983 report the Company plans to include supplementary financial statements drawn to conform to the guidelines issued by the Canadian Institute of Chartered Accountants. In the meantime the Comparative Property Account and Selected Financial Data have been brought up to date by the inclusion of the 1982 results. The current cost of fixed assets in the Property Account was arrived at by applying suitable indices to the historical cost of assets classified by type and year of installation. Current cost depreciation was derived from a depreciation study of all Company property. In the table of Selected Financial Data the amounts have been restated in 1982 dollars through the use of the Consumer Price Index for Canada.

The remittance processors at Head Office enable the Company to handle about two million payments a year.

COMPARATIVE PROPERTY ACCOUNT
(in thousands)

	1982		1981	
	Original Cost	Adjusted Current Cost	Original Cost	Adjusted Current Cost
Fixed Assets	$349,875	853,057	324,690	759,235
Accumulated Depreciation	86,468	282,017	77,132	241,566
	$263,407	571,040	247,558	517,669

SELECTED FINANCIAL DATA
CPI ADJUSTED

		1982	1981	1980	1979	1978
Consumer Price Index Canada December 31		271.1	248.0	221.3	199.0	181.3
*Operating Revenue	$	163,477	143,509	150,466	147,408	137,902
*Operating Expenses	$	118,284	103,477	107,965	106,715	98,399
*Net Income	$	18,025	15,847	15,554	16,157	16,586
Earnings per Share	$	3.55	3.24	3.19	3.42	3.56
*Dividends Paid per Common Share	$	1.65	1.62	1.72	1.77	1.83
Share Price - close December 31	$	24.0	21.9	27.6	29.3	27.1

*in thousands

Regulation

Regulation of the Company includes both rate setting and proper operation of customer related equipment.

As a public utility the Company's activities are regulated by The Board of Commissioners of Public Utilities of Newfoundland pursuant to The Public Utilities Act. The rates charged by the Company, its capital expenditures and all issues of securities must be approved by the Board. In exercising its jurisdiction over rates the Board is required to observe the policies outlined by the Province in The Electrical Power Control Act. This act requires the Board to review and make recommendations concerning the rates charged by Newfoundland and Labrador Hydro which supplies more than 80% of the Company's power requirements.

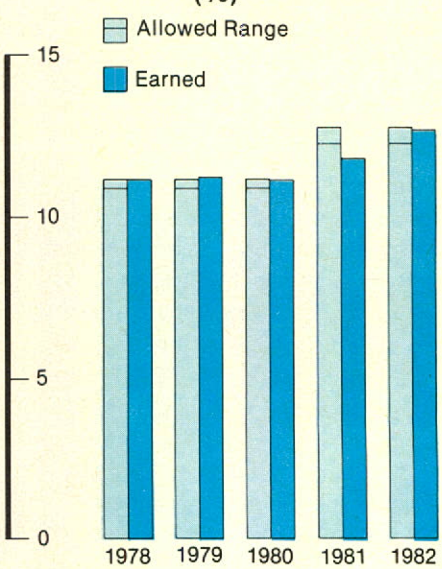
On August 31, 1982 the Company applied to the Board for an average increase in rates of 4.6% to be fully implemented on January 1, 1983. At the opening of the public hearing this was revised downward to 3.9%. Other requests made by the Company in its application included an increase in its allowed rate of return, revisions of the depreciation procedure and the fuel adjustment clause, determination of rate base and the allowance for working capital and minor changes to its regulations governing service to customers.

In its Order No. 47 (1982) dated December 13, 1982, the Board authorized an average increase in rates of 4.1% effective for energy consumed on or after January 1, 1983. This is equivalent to an increase of 3.9% fully implemented on January 1, 1983. The Board also determined that for 1983 a just and reasonable rate of return on average rate base would be between 12.75% and 13.00%. Rates were based on an implicit rate of return on average common equity of 17%. All other changes requested by the Company were approved by the Board.

In its decision the Board also outlined how it views its responsibilities. In doing so, it reviewed the statutory provisions of the Public Utilities Act and the Electrical Power Control Act. These statutes make the Board responsible for ensuring that public utilities provide adequate services, responsive to public need. The Acts also give the utilities a statutory right to a reasonable return on investment in order to maintain a sound credit rating.

The rate charged by Newfoundland and Labrador Hydro to the Company was last increased in August 1981. Hydro did not apply for a rate increase in 1982, but in 1983 has applied for an increase in the rate it charges the Company from 23.97 mills to 28.56 mills per kilowatt hour effective July 1. The Company will apply for an increase in its rates sufficient to pass through any additional costs of power purchased.

RATE OF RETURN ON RATE BASE (%)



Management Report

The management and the Board of Directors of Newfoundland Light & Power Co. Limited are responsible for the accompanying financial statements and other information in this annual report. The financial statements have been prepared in accordance with appropriate generally accepted accounting principles and all other information is consistent with the financial statements.

The Company's system of internal accounting controls is designed to provide responsible assurance of the reliability of the financial information in this report. These controls are monitored and checked by an internal audit program.

The financial statements have been examined by the external auditors, Touche Ross & Co. Their role is to render an independent professional opinion on the fairness with which the financial statements, as prepared by management, present the financial position, results of operations, and changes in financial position of the Company. This opinion is based on examinations conducted in accordance with generally accepted auditing standards.

The Audit Committee of the Board of Directors meets with the internal and external auditors, with and without management being present, to discuss auditing, financial reporting and matters concerning internal control.

D. S. Templeton
President

Vice-President Finance

Auditors' Report

The Shareholders,
Newfoundland Light & Power Co. Limited.

We have examined the balance sheet of Newfoundland Light & Power Co. Limited as at December 31, 1982 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.
Chartered Accountants

St. John's, Newfoundland,
February 23, 1983

NEWFOUNDLAND LIGHT & POWER CO. LIMITED
(Incorporated under the laws of the Province of Newfoundland)

Balance Sheet

Assets

	December 31 1982	December 31 1981
	(in thousands)	
PROPERTY ACCOUNT		
Property, plant and equipment	$ 349,875	$ 324,690
Accumulated depreciation	86,468	77,132
	263,407	247,558
DEFERRED CHARGES		
Unamortized debt discount and expense	1,480	1,558
Unamortized capital stock issue expense	1,664	1,756
	3,144	3,314
CURRENT ASSETS		
Cash	125	71
Accounts receivable	15,807	13,396
Income taxes receivable		1,055
Inventories of materials and supplies at average cost	6,471	6,152
Prepaid expenses	241	240
Deferred fuel account	1,710	414
	24,354	21,328
	$ 290,905	$ 272,200

Approved on Behalf on the Board:

A. Anderson *Director*

Geoffrey R. Parsons *Director*

		December 31	
		1982	1981
		(in thousands)	
Shareholders' Equity	SHAREHOLDERS' EQUITY		
	Common shares (Note 1)	$ 26,813	$ 25,801
	Contributed surplus	2,051	1,745
	The Capital Redemption Reserve Fund (Note 1)	5,307	4,127
	Earnings retained and invested in the business	52,793	46,662
	Common shareholders' equity	86,964	78,335
	Preference shares (Note 1)	40,693	41,873
		127,657	120,208
Liabilities	LONG TERM DEBT (Note 2)	111,027	105,968
	DEFERRED CREDITS		
	Contributions in aid of construction	6,122	5,724
	Contributions - rural electrification system	9,571	10,189
	Deferred income taxes	7,249	6,473
	Weather normalization account	1,624	1,478
		24,566	23,864
	CURRENT LIABILITIES		
	Bank loans	1,750	3,150
	Accounts payable and accrued charges	14,354	11,601
	Interest accrued on long term debt	2,722	2,325
	Current installments of long term debt	2,396	2,582
	Income taxes payable	3,660	
	Dividends payable	2,773	2,502
		27,655	22,160
		$ 290,905	$ 272,200

See accompanying notes to financial statements

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

Statement of Income

	Year Ended December 31 1982	1981
	(in thousands)	
OPERATING REVENUES	$163,477	$131,281
OPERATING EXPENSES		
Purchased power	78,041	58,573
Other expenses	28,483	25,679
Depreciation	11,760	10,408
	118,284	94,660
OPERATING INCOME	45,193	36,621
FINANCE CHARGES (Note 3)	11,419	10,973
INCOME BEFORE INCOME TAXES AND TRANSFER	33,774	25,648
INCOME TAXES	15,602	11,052
	18,172	14,596
TRANSFER TO WEATHER NORMALIZATION ACCOUNT	147	99
NET INCOME FOR THE YEAR	18,025	14,497
DIVIDENDS ON PREFERENCE SHARES	3,969	2,931
EARNINGS APPLICABLE TO COMMON SHARES	$ 14,056	$ 11,566
AVERAGE COMMON SHARES OUTSTANDING	3,957,142	3,908,340
EARNINGS PER COMMON SHARE	$3.55	$2.96

Statement of Retained Earnings

	1982	1981
	(in thousands)	
BALANCE AT BEGINNING OF YEAR	$ 46,662	$ 42,237
Net income for the year	18,025	14,497
	64,687	56,734
DIVIDENDS		
Preference shares	3,969	2,931
Common shares	6,746	5,973
	10,715	8,904
Transfer to The Capital Redemption Reserve Fund	1,179	1,168
	11,894	10,072
BALANCE AT END OF YEAR	$ 52,793	$ 46,662

See accompanying notes to financial statements

Statement of Changes in Financial Position

		Year Ended December 31 1982	1981
		(in thousands)	
Source of Funds	From operations		
	Net income for the year	$ 18,025	$ 14,497
	Non cash items		
	Depreciation	11,760	10,408
	Amortization of deferred charges	304	253
	Deferred income taxes	776	1,192
	Transfer to weather normalization account	147	99
		12,987	11,952
		31,012	26,449
	Contributions in aid of construction	692	653
	Net proceeds of bond issues	7,424	16,847
	Net proceeds from issue of preference shares		9,584
	Proceeds from issue of common shares	1,012	814
		40,140	54,347
Application of Funds	Property, plant and equipment	28,550	30,640
	Salvage net of dismantling costs and related income taxes	29	221
		28,521	30,419
	Decrease in bank loans	1,400	7,675
	Increase in deferred charges	58	
	Dividends		
	Preference shares	3,969	2,931
	Common shares	6,746	5,973
	Reduction of long term debt	2,441	2,663
	Redemption of preference shares	874	919
		44,009	50,580
	INCREASE (DECREASE) IN WORKING CAPITAL	(3,869)	3,767
	WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF YEAR	2,318	(1,449)
	WORKING CAPITAL (DEFICIENCY) AT END OF YEAR	$ (1,551)	$ 2,318

See accompanying notes to financial statements

Summary of Accounting Policies

GENERAL	Accounting policies conform to generally accepted accounting principles and to accounting requirements established from time to time by The Board of Commissioners of Public Utilities of the Province of Newfoundland ("The Board").
REVENUE	The Company's revenue is derived from the sale of electricity in the Province of Newfoundland. Revenue recognition follows an accepted practice in the utility industry whereby monthly sales are recorded on the basis of meter readings made throughout the month. Although each fiscal year includes twelve months electricity sales and costs, there are, at the end of each accounting period sales, the cost of which was charged to expense, while the related revenue is not recorded until the following period.
PROPERTY, PLANT AND EQUIPMENT	Utility property, plant and equipment is stated at values approved by The Board as at June 30, 1966 with subsequent additions at cost. Maintenance and repairs are charged against revenue, while renewals and betterments are capitalized. The cost of plant and equipment retired, less net salvage, is charged to accumulated depreciation. For major property disposals, any gain or loss on net depreciated cost is carried to income.
DEPRECIATION	Depreciation is provided in the accounts at classified rates varying from 1.8% to 17.3% on the straight line method based on estimated service life of plant and equipment, as approved by The Board. The composite rate is approximately 3.7% before reduction for the amortization of contribution in aid of construction and contributions — rural electrification system.
INTEREST CHARGED TO CONSTRUCTION	On certain construction projects interest at varying rates as set out by The Board is capitalized and included as a cost in the appropriate property accounts.
DEFERRED CHARGES	Deferred charges are amortized as follows: Debt discount and expenses — over the life of each issue. Capital stock issue expense — over a 20 year period from date of issue except Series I preference shares which is amortized over 7 years ending October 1, 1989.
DEFERRED FUEL ACCOUNT	The Company's rate schedule includes a fuel adjustment clause which permits the recovery of differences between actual fuel cost and a cost calculated by using a fixed base unit price. There is, however, a time lag between the periods where these differences occur and the periods in which they are billed to customers and they are deferred until that time to achieve a proper matching between cost and revenue.
FOREIGN CURRENCY TRANSLATION	Debt obligations in foreign currencies are recorded at the Canadian exchange rate prevailing when incurred. Unrealized exchange gains and losses are not recognized. As at December 31, 1982, $12,600,000 Canadian was required to translate foreign currency carried at $10,454,000. As at December 31, 1981, $12,500,000 was required to translate foreign currency obligations carried at $10,696,000.
CUSTOMER AND GOVERNMENT CONTRIBUTIONS	Contributions in aid of construction and rural electrification system represent the cost of property, plant and equipment contributed by customers and governments. Certain contributions by the Province of Newfoundland carry conditional options allowing the province to reacquire the plant so contributed. These accounts are being reduced annually by an amount equal to the charge for depreciation provided on the contributed portion of the cost of the assets involved.
DEFERRED INCOME TAXES	Orders of The Board required the Company to use the flow-through method of accounting for income taxes for all timing differences, other than certain deferred charges, during the period 1967 to 1978. Commencing January 1, 1979, The Board allowed the tax allocation method with respect to the timing difference between depreciation and capital cost allowances for depreciable assets acquired subsequent to that date and commencing January 1, 1981 for all depreciable assets. If the full tax allocation method of accounting, under which income tax is based on reported income, had been followed commencing in 1967, the cumulative amount of the deferred income tax credit would have been increased by approximately $26,900,000 to December 31, 1982 (1981 - $24,500,000).
WEATHER NORMALIZATION ACCOUNT	The Board has ordered provision of a weather normalization account to adjust within the Company's accounts the effect of variations in temperature and stream flow when measured against long term averages. The balance in the weather normalization account as at December 31, 1982 and the underlying calculations have been approved by the Board.
CHANGES IN FINANCIAL POSITION	The Company's unsecured demand bank loans have been considered to be non-current liabilities in the preparation of the statement of changes in financial position.

Notes to Financial Statements

1. CAPITAL STOCK

	December 31, 1982	December 31, 1981
Authorized		
Common shares without nominal or par value		
Class A convertible	15,000,000	5,000,000
Class B convertible	15,000,000	5,000,000
Cumulative redeemable voting first preference shares of a par value of $10 each, issuable in series	4,600,000	5,000,000
Cumulative redeemable first preference shares with a par value and voting rights as may be attached to each series at time of issue, issuable in series	5,400,000	
Cumulative redeemable second preference shares with a par value and voting rights as may be attached to each series at time of issue, issuable in series	1,000,000	
Cumulative redeemable voting second preference shares of a par value of $20 each, issuable in series		1,000,000

The above changes to the authorized capital were approved as the Annual and Extraordinary General Meeting of Shareholders held on May 5, 1982.

The Company's common shares are designated as 15,000,000 Class A convertible common shares without nominal or par value and 15,000,000 Class B convertible common shares without nominal or par value. However, the total issued Class A and Class B shares outstanding at any time cannot exceed in the aggregate 15,000,000 shares. The shares of each class are inter-convertible on a share for share basis and rank equally in all respects including dividends.

			(in thousands)	
Issued and outstanding				
Common shares				
3,826,729	Class A shares			
159,283	Class B shares			
3,986,012	common shares (3,931,192 common shares December 31, 1981)		$ 26,813	$ 25,801
First preference shares				
194,000	5½%	Series A	$ 1,940	$ 1,980
341,400	5¼%	Series B	3,414	3,460
18,717	6%	Series C	187	187
348,470	7¼%	Series D	3,485	3,598
420,800	9%	Series E	4,208	4,408
739,925	9.84%	Series F	7,399	7,800
546,000	7.60%	Series G	5,460	5,640
460,000	9 1/8%	Series H	4,600	4,800
1,000,000	14¼%	Series I	10,000	10,000
4,069,312	(4,187,287 preference shares December 31, 1981)		$ 40,693	$ 41,873

Common shares were issued during the year as follows:

	Shares	(in thousands)
Dividend reinvestment plan	34,633	$ 641
Stock dividends on Class B	13,490	248
Employee share purchase plan	6,697	123
	54,820	$ 1,012

Each series of first preference shares is redeemable at the option of the Company at a premium not in excess of the annual dividend rate, except that certain series may not be redeemed prior to designated dates. The Company is required to redeem on October 1, 1984 and October 1, 1989 any Series I First Preference Shares tendered on or before August 31, 1984 and August 31, 1989, respectively, at a price of $10 per share plus all accrued and unpaid dividends to October 1, 1984 and October 1, 1989 respectively. Certain series of first preference shares are subject to the operation of purchase and/or sinking funds. The Company has the right to purchase limited amounts of Series D, E, F, G, H and I at or below par and call limited amounts of Series F and H at par to satisfy the conditions of these funds.

Changes in preference shares during the year were as follows:

	Shares	(in thousands)
Redeemed	117,975	$ 1,180

The gain on redemption of preference shares ($305,947) has been credited to contributed surplus.

The par value of preference shares purchased to date in the amount of $5,306,880 has been set aside from Retained Earnings to The Capital Redemption Reserve Fund in accordance with Section 49 of the Newfoundland Companies Act.

2. LONG TERM DEBT

	1982	1981
	(in thousands)	
First mortgage sinking fund bonds:		
5¾% Series E, due 1984	$ 2,675	$ 2,675
5¾% Series I, due 1982		1,211
5¾% Series J, due 1983	963	975
7% Series K, due 1985	1,382	1,382
6½% Series L, due 1986	776	776
7% Series R, due 1986	4,274	4,315
7¾% Series S, due 1988	2,454	2,497
8% Series T, due 1991	4,852	4,878
11¼% Series V, due 1996	18,710	19,345
11½% Series W, due 1999	5,000	5,000
14¼% Series X, due 1987	7,000	7,000
18¼% Series Y, due 1988	10,000	10,000
17¾% Series Z, due 1990	7,500	
	65,586	60,054
5⅜% Series M, due 1990 (U.S. $2,100,000)	2,268	2,295
8¼% Series U, due 1992 (U.S. $8,000,000)	7,974	7,974
	75,828	70,323
General mortgage sinking fund bonds:		
9½% Series D, due 1990	3,437	3,537
11¼% Series F, due 1994	14,894	14,894
10½% Series G, due 1997	18,900	19,200
	37,231	37,631
7% Promissory Note (U.S. $112,987)	114	232
8½% Bills of Exchange (U.K. £45,079)	98	196
11% first mortgage on real property	152	168
	364	596
	113,423	108,550
Less: Current installments	2,396	2,582
	$ 111,027	$ 105,968

The first mortgage bonds are secured by a first fixed and specific charge on property, plant and equipment owned or to be acquired by the Company and by a floating charge on all other assets.

The annual requirements to meet sinking fund payments, installments and maturing issues of long-term debt outstanding as at December 31, 1982 for each of the years to 1987 are as follows:

	1983	1984	1985	1986	1987
			(in thousands)		
Sinking fund payments and installments	$ 1,433	$ 1,192	$ 1,175	$ 1,167	$ 1,050
Maturing issues	963	2,645	1,342	4,820	6,720
	$ 2,396	$ 3,837	$ 2,517	$ 5,987	$ 7,770

The trust deeds securing the first mortgage and general mortgage bonds contain conditions precedent which if not met restrict the payment of dividends. At December 31, 1982 these conditions had been met.

3. FINANCE CHARGES

	1982	1981
	(in thousands)	
Interest — long-term debt	$ 12,095	$ 10,118
— other	185	1,602
	12,280	11,720
Amortization — debt discount and expense	154	145
— capital stock issue expense	150	108
	304	253
	12,584	11,973
Less: Interest charged to construction	505	560
Discount on bonds purchased for sinking fund	323	261
Interest earned	337	179
	1,165	1,000
	$ 11,419	$ 10,973

4. RETIREMENT OF EMPLOYEES

The Company has no guaranteed or funded pension or retirement benefit plan for employees. The present practice of the Company is to pay an income supplement to retired officers and employees charging the cost thereof to current operations and the Company has advised its employees of the basis upon which such payment may be made.

The Public Utilities Act provides that payments of this nature are expenses that the Board may allow as reasonable and prudent and properly chargeable to the operating account of the utility. The Board has so allowed the income supplements being paid.

Corporate Directory

Directors

AARON BAILEY†*
Port Union, Newfoundland
Chairman of the Board
Newfoundland Light & Power Co. Limited

ALASTAIR D. CAMERON, M.B.E.†
Montreal, Quebec
Vice-President,
Montreal Engineering Company, Limited

HENRY COLLINGWOOD*
St. John's, Newfoundland
Chairman and Chief Executive Officer,
Baine, Johnston & Co. Ltd.

JOHN B. FOOTE
Grand Bank, Newfoundland
Chairman and Chief Executive Officer,
J.B. Foote & Sons, Ltd.

DOUGLAS C. HUNT, Q.C.† +
St. John's, Newfoundland
Barrister and Solicitor,
Halley, Hunt

DONALD C. McLEOD
Toronto, Ontario
Vice-President,
Merrill Lynch Royal Securities Limited

ALBERT E. O'REILLY
Montreal, Quebec
Assistant Manager,
Management Consulting Division,
Montreal Engineering Company

† Executive Committee
* Audit Committee
+ Resigned January 28, 1983

GEOFFREY R. PARSONS†*
Regina, Saskatchewan
President, Lakeview Limited

EWART A. PRATT
St. John's, Newfoundland
Chairman and President,
Steers Limited

G. NEVILLE C. RIVINGTON
Montreal, Quebec
Group Vice-President,
Montreal Engineering Company, Limited

JAMES E. RORKE
Carbonear, Newfoundland
Senior Officer,
The Rorke Fish & Coal Company, Limited

HAROLD R. STEELE
Gander, Newfoundland
President and Chief Executive Officer,
Newfoundland Capital Corporation Limited

DAVID S. TEMPLETON†
St. John's, Newfoundland
President,
Newfoundland Light & Power Co. Limited

CLYDE K. WELLS, Q.C.
St. John's, Newfoundland
Barrister and Solicitor,
Wells and Company

MARSHALL M. WILLIAMS
Calgary, Alberta
President and Chief Executive Officer,
TransAlta Utilities Corporation

Officers

AARON BAILEY
Chairman of the Board

ALASTAIR D. CAMERON, M.B.E.
Deputy Chairman

DAVID S. TEMPLETON
President

AIDAN F. RYAN
Vice-President and General Manager

GEORGE J. ADAMS
Vice-President Finance

JOHN G. EVANS
Vice-President Planning and Construction

CHARLES W. HENRY
Vice-President Operations

MICHAEL A. PAVEY
Vice-President Corporate Planning

CECIL R. VIVIAN
Vice-President Rates and Customer Services

KEVIN S. WARR
Vice-President-Treasurer

RAYMOND F. GOSINE
Secretary

H. BARRIE CURTIS
Assistant Secretary-Treasurer

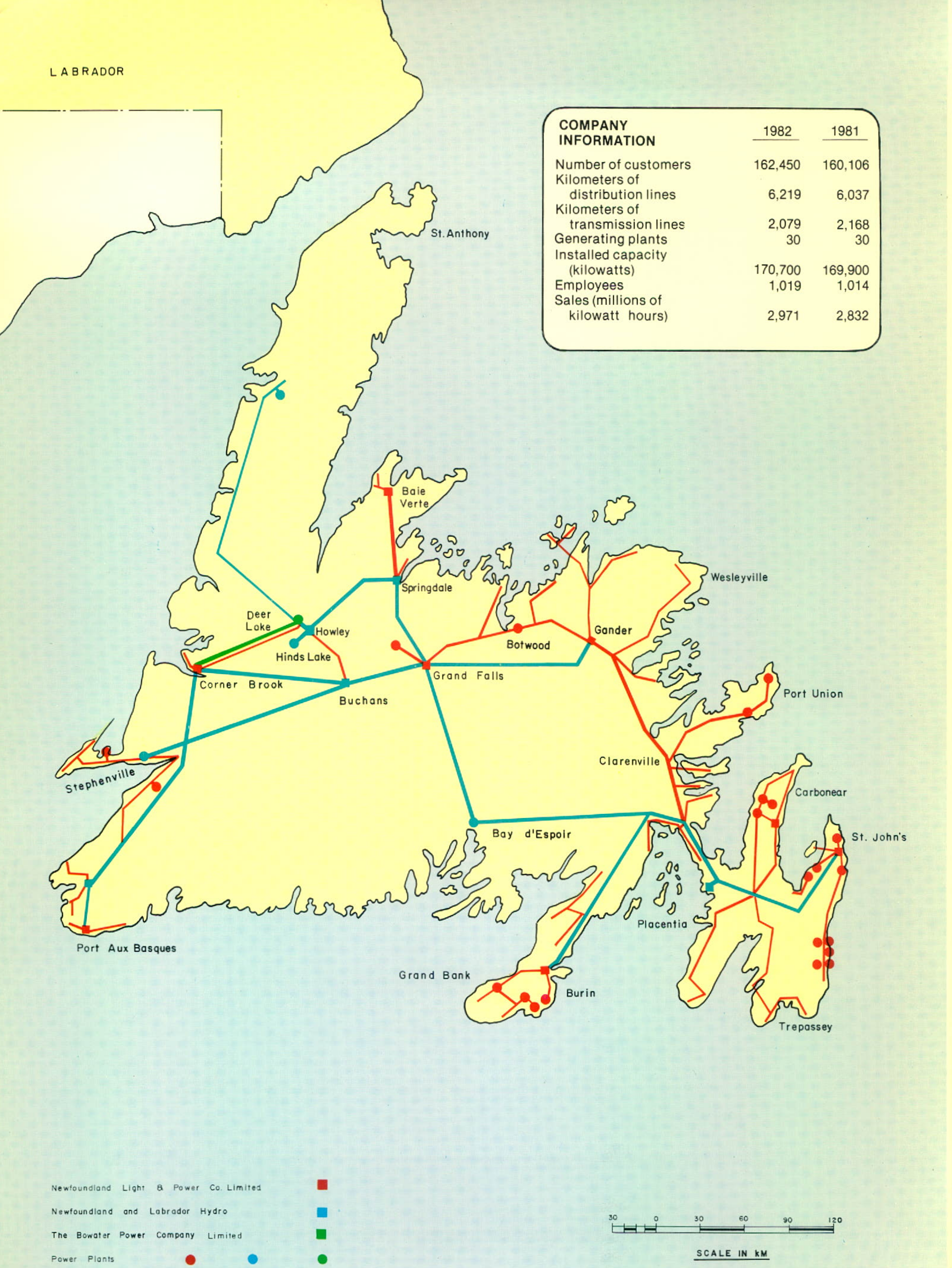
Head Office

Kenmount Road, St. John's, Newfoundland

Transfer Agent and Registrar

MONTREAL TRUST COMPANY

St. John's, Halifax, Montreal, Toronto, Calgary, and Vancouver



COMPANY INFORMATION	1982	1981
Number of customers	162,450	160,106
Kilometers of distribution lines	6,219	6,037
Kilometers of transmission lines	2,079	2,168
Generating plants	30	30
Installed capacity (kilowatts)	170,700	169,900
Employees	1,019	1,014
Sales (millions of kilowatt hours)	2,971	2,832

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T & POWER CO. LIMITED

Summary

1979	1978	1977	1976	1975	1974	1973
$108,204	$ 92,223	$ 73,469	$ 60,259	$ 45,022	$33,921	$ 27,772
69,760	57,960	46,037	37,541	28,214	19,325	15,174
9,690	9,210	8,668	6,945	5,173	3,781	3,343
8,574	7,845	6,702	5,582	4,695	3,846	3,421
8,320	5,803	3,076	2,434	1,533	2,208	1,919
9,644	9,098	7,338	6,093	4,546	3,815	3,316
5,105	4,788	3,819	2,777	2,237	1,978	1,731
4,539	3,540	3,402	3,055	2,152	1,837	1,585
3,861	3,837	3,817	3,057	2,775	2,472	2,472
2.51	2.38	2.35	2.17	1.81	1.54	1.34
1.325	1.25	1.10	0.95	0.85	0.80	0.70
272,585	254,760	238,008	210,611	181,178	153,492	137,505
61,513	53,921	48,608	43,251	40,240	37,598	35,141
211,072	200,839	189,400	167,360	140,938	115,894	102,364
55,317	50,838	53,623	54,337	34,916	36,578	37,521
48,834	51,714	43,062	32,807	42,383	21,623	12,071
104,151	102,552	96,685	87,144	77,299	58,201	49,592
28,844	23,601	24,371	24,488	14,749	14,905	10,000
66,754	61,852	57,382	42,298	35,998	30,721	28,772
199,749	188,005	178,438	153,930	128,046	103,827	88,364
2,503	2,446	2,286	2,077	1,870	1,507	1,131
359	378	332	380	340	390	431
2,862	2,824	2,618	2,457	2,210	1,897	1,562
589	591	598	611	619	579	517
881	878	801	715	526	350	209
463	430	386	385	313	264	220
757	723	684	587	535	512	476
2,690	2,622	2,469	2,278	1,993	1,705	1,422
86,729	86,787	87,780	87,962	90,666	92,194	92,615
42,819	39,605	35,713	30,856	23,447	16,047	10,196
3,828	3,499	3,107	2,680	2,219	1,760	1,393
19,489	19,392	19,085	18,747	18,127	17,421	16,649
152,865	149,283	145,685	140,245	134,459	127,422	120,853
4,641	5,088	4,808	4,805	5,099	5,112	5,069

CIAL STATISTICAL SUMMARY
ATION IS AVAILABLE UPON REQUEST FROM:
SECRETARY
IGHT & POWER CO. LIMITED.
N'S, NEWFOUNDLAND A1B 3P6

NEWFOUNDLAND LIG

10 Year

	1982	1981	1980
INCOME AND EXPENDITURE			
(thousands of dollars)			
Operating revenue	$163,477	$131,281	$122,82
Operating expenses	106,524	84,252	78,73
Finance charges	11,419	10,973	9,92
Depreciation	11,760	10,408	9,39
Income taxes	15,602	11,052	11,18
Balance after preference dividends	14,056	11,566	10,07
Dividends on common shares	6,746	5,973	5,42
Retained in the business	7,310	5,593	4,64
Number of common shares at year end (thousands)	3,986	3,931	3,88
Earnings per common share ($)	3.55	2.96	2.6
Dividends declared per common share ($)	1.70	1.525	1.4
BALANCE SHEET DATA			
(thousands of dollars)			
Property, plant and equipment	349,875	324,690	294,95
Accumulated depreciation	86,468	77,132	68,94
Net fixed assets	263,407	247,558	226,00
First mortgage bonds	74,063	68,373	53,40
Other long term debt bank loans and notes payable	38,714	40,745	49,05
Total debt	112,777	109,118	102,45
Preference shares	40,693	41,873	33,04
Common equity	86,964	78,335	73,05
Total capital	240,434	229,326	208,55
OPERATING STATISTICS			
Sources of Energy (millions of kWh)			
Purchased	2,778	2,574	2,59
Generated	383	427	46
Total	3,161	3,001	3,05
Sales (millions of kWh)			
Domestic	626	607	60
Domestic all-electric	1,050	941	96
General service all-electric	554	465	46
General service and street lighting	741	819	81
Total	2,971	2,832	2,84
Customers (year-end)			
Domestic	85,324	86,370	86,91
Domestic all-electric	52,676	49,426	45,76
General service all-electric	4,659	3,840	3,51
General service and street lighting	19,791	20,470	20,27
Total	162,450	160,106	156,46
Annual degree days — St. John's (Celsius)	5,031	4,428	5,09

A TEN YEAR FINAN
CONTAINING ADDITIONAL INFOR
TH
NEWFOUNDLAND
P.O. BOX 8910, ST. JO

NEWFOUNDLAND LIGHT & POWER
CO., LIMITED

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