

**INLAND**  
Natural Gas Co. Ltd.  
1968 Annual Report





## **DIRECTORS**

Norman R. Whittall	Chairman of the Board, Inland Natural Gas Co. Ltd.
Fred B. Brown	Vice-President, The Bank of Nova Scotia
William Manson	Retired, former Regional Vice-President, Canadian Pacific Railway
Cyrus H. McLean	Chairman, B.C. Telephone Company
John A. McMahon	President, Inland Natural Gas Co. Ltd.
Roderick M. Hungerford	President, Clayburn-Harbison Ltd.

*All directors reside in Vancouver, B.C.*

## **OFFICERS**

John A. McMahon	President and Chief Executive Officer
Fred B. Brown	Vice-President
Ronald M. Rutherford	Executive Vice-President
Donald R. MacPhail	Vice-President and Secretary
Richard B. Stokes	Vice-President, Finance

## **HEAD OFFICE**

1155 West Georgia Street, Vancouver 5, B.C.

## **REGISTRAR**

Canada Permanent Trust Company, Vancouver, B.C.

## **TRANSFER AGENT**

Canada Permanent Trust Company,  
Vancouver – Calgary – Toronto – Montreal

## **AUDITORS**

Riddell, Stead, Graham & Hutchison

## **WHOLLY-OWNED SUBSIDIARIES**

Peace River Transmission Company Limited  
St. John Gas & Oil Co. Ltd. (N.P.L.)  
Grande Prairie Transmission Co. Ltd.  
Inland Development Co. Ltd.  
Inland Transmission Co. Ltd.  
Inland Development (1957) Co. Ltd.

15th Annual Report for the fiscal year ended June 30, 1968

ANNUAL MEETING—10:30 A.M. P.D.T., OCTOBER 21st, 1968, GEORGIA HOTEL, VANCOUVER, B.C.

### *COVER PHOTOGRAPHS—*

#### **CONSTRUCTION TO UTILIZATION**

*Front cover shows construction  
of the Peachland/Westbank  
transmission line against a  
background of Okanagan Lake.*

*Back cover illustrates the clean  
blue flame of natural gas being  
used in a modern kitchen.*

# HIGHLIGHTS

	1968	1967	1966	1965	1959
Sale of Gas	\$13,307,665	12,988,672	10,553,566	9,177,852	2,947,097
Operating Revenue	\$13,787,500	13,447,619	10,981,425	9,732,723	3,811,844
Net Income	\$ 2,548,421	2,489,022	1,806,199	1,537,517	147,271
Net Income per Common Share	92c	89c	60c	49c	(4c)
Dividends paid per Common Share	42.5c	35c	27.5c	25c	—
Dividends paid per Preference Share	\$ 1.00	1.00	1.00	1.00	1.00
Fixed Assets	\$46,532,865	44,118,129	41,536,729	38,949,864	31,802,259
Accumulated Depreciation and Depletion	\$ 5,493,654	4,598,504	3,749,355	2,936,085	538,792
Number of Customers					
Residential	29,437	27,133	24,508	22,020	9,203
Commercial	4,318	4,013	3,687	3,355	1,347
Special Construction*	58	219	398	20	—
Small Industrials	78	79	73	58	10
Large Industrials	24	23	19	19	9
Total	33,915	31,467	28,685	25,472	10,569

\* Rate no longer available

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## TO OUR SHAREHOLDERS

British Columbia is growing faster than any other part of Canada: the population increased 15% between 1961 and 1966. The trend continues. The province registered the largest percentage increase over the past year gaining 3.3%, or 64,000 persons, bringing the total population above two million. British Columbia's population is expected to exceed three million by 1985.

Between 1956 and 1966 the population of the urban centres now on the Inland system increased by 58%. According to a study made for our company by the British Columbia Research Council, the Canada census figure of 204,000 (60,500 households) is expected to reach 300,000 (88,000 households) by 1975. In the 1975-85 period they estimate the population will increase to 420,000 (122,600 households). This increase in population means a greater demand for new homes, schools, hospitals, and new industries which will result in an increasing demand for natural gas service. Enclosed is a brochure which provides background material and will be helpful in assessing the economy and potential of the service area.

Over 90% of new construction of residential and commercial properties within economic reach of our distribution systems has been attached since natural gas became available in 1957. Because natural gas has only been available in our service area since that date, it is estimated that only 45% of the dwelling units in the area are presently using natural gas. Therefore, the anticipated growth in population and the competitive position natural gas enjoys in respect to other automatic fuels suggests that a high rate of customer growth can be expected.

The exceptional growth of the area is the key to record earnings that were achieved again during the fiscal year under review in this report. It is a pleasure to report that the earnings per common share were 92c compared to 89c in the previous year, and that the quarterly dividend rate payable May 15, 1968, was increased from 10c per share to 12½c per share. These results were accomplished despite the fact that there was a long, drawn-out strike in the forest industry, and an estimated \$400,000 reduction in revenue as a result of a rate cut that was implemented May 1, 1967.

The outlook is exceedingly promising. Hardly a week goes by without an announcement of a new industry locating in our service area. Just within the last few months three major industries have been announced: LaFarge Cement of North America Ltd. at Kamloops, Consumers Glass Company Limited near Vernon, and a proposed pulp mill at Ashcroft. In addition to these, two pulp mills are slated to come into production at Mackenzie, and another at Quesnel, all within the next three years.

The world's largest potential consumer market is across the Pacific, and this province with its great resources, its people, and its stable government provides an unusual opportunity for growth.

Yours sincerely,

President

September 20, 1968



## THE YEAR IN REVIEW

### Revenue

Inland's gas revenues, sales volumes and number of customers again reached new highs in the 1968 fiscal year. The volume and dollar value for each classification is set out in the table below and on the graphs to the right.

Other operating revenue, which is generated mainly from the sale of gas appliances and financing plans, increased to \$264,920 from \$247,457 in the previous year.

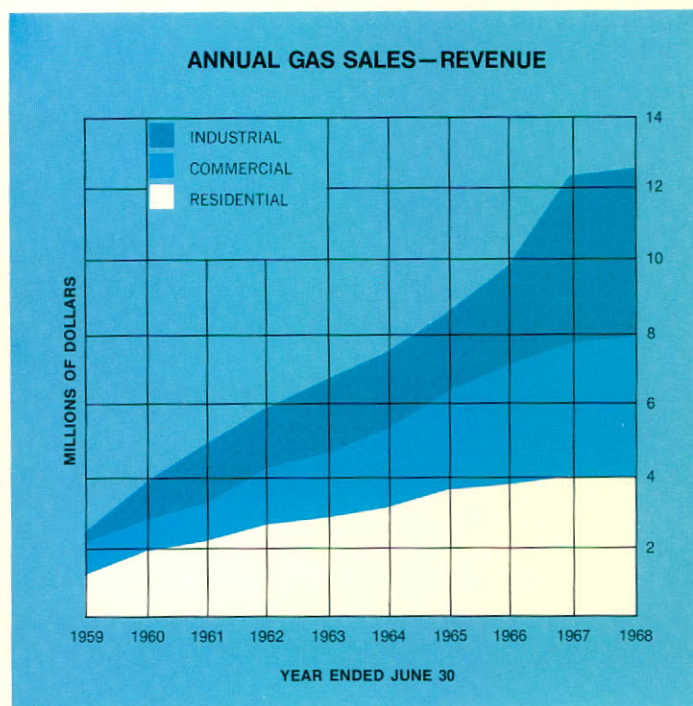
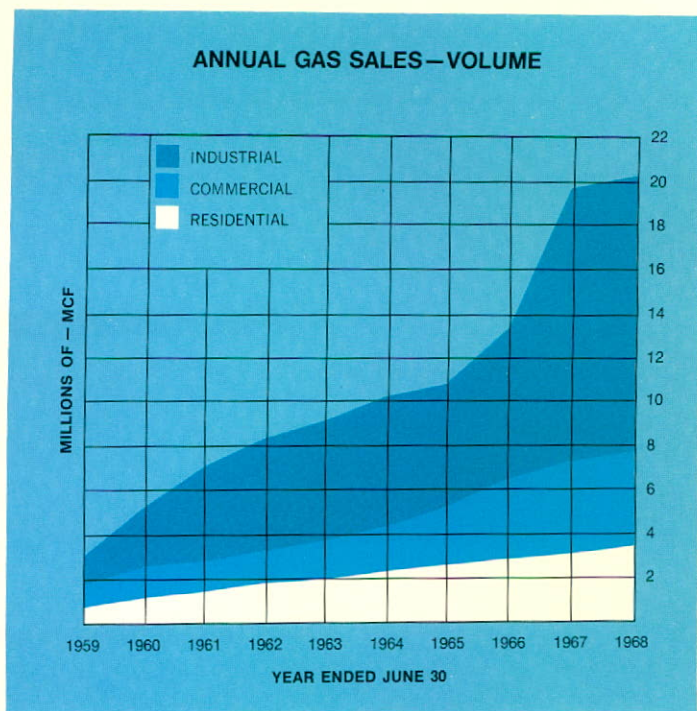
	Mcf (000)	\$ (000)	%
Residential	3,424	3,994	31.9
Commercial	2,702	2,748	21.9
Special Construction	38	28	.2
Small Industrial	1,688	1,142	9.1
Large Industrial	12,218	4,633	36.9
	<u>20,070</u>	<u>12,545</u>	<u>100.0</u>

### Operating Expenses

The cost of purchasing our natural gas is a major component of operating expenses. During the year under review Inland's outlay on this item was \$5,972,000, compared to \$5,695,000 in the previous year.

Operating and maintenance expenses were lower by \$89,000. The majority of this decrease was due to a substantial reduction in advertising and promotional expenses during the year. The Company felt that with the general tight-money situation and the resulting decrease in new housing starts, coupled with the fact that there had been much favourable publicity after our last rate reduction in May 1967, extensive advertising and promotion programmes would not be required during the year.

The Company employs, on the average, approximately 200 employees which is about the same as the previous year. All employees share in benefit programmes



such as pension plan, medical services, sickness and disability insurance and group life insurance. The total of salaries and wages including benefits for the current year was \$1,481,000. A major portion of new plant construction is performed by the Company's own workforce and therefore a substantial portion of salaries and related costs are capitalized.

Your Company continues to be an important contributor to the welfare of the communities it serves. This year approximately \$558,000 was paid out in franchise fees and property taxes.



## Income Taxes

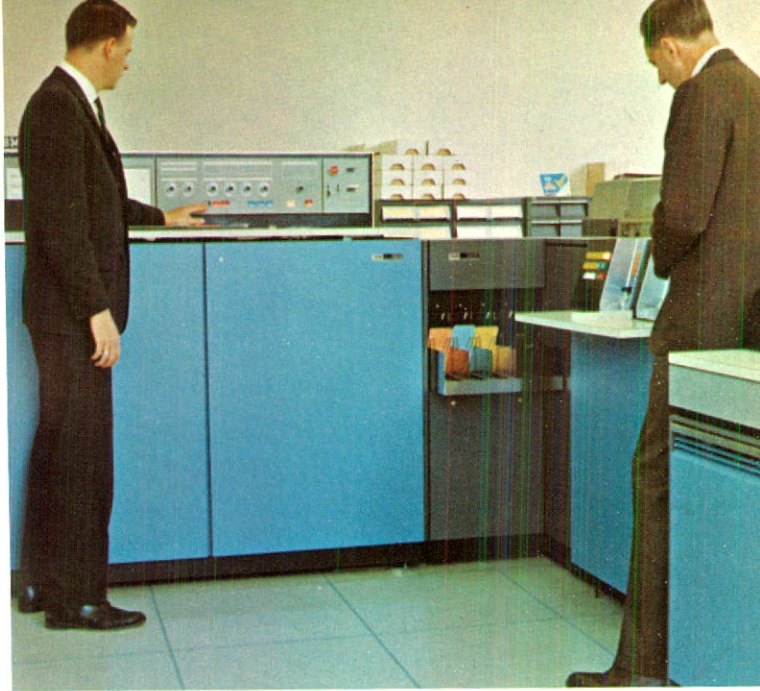
Reference was made in the last annual report that Inland's utility operations had not yet attracted any income tax, and that income tax would be payable for the first time in the 1968 fiscal year. However, on the advice of our auditors, the Company in filing its 1967 Income Tax Return made a retroactive adjustment in its treatment of certain overheads capitalized in the books of account. These overheads have now been charged to expense for income tax purposes only. This principle has been accepted by the Income Tax Department and therefore no income tax expense was incurred during the year under review.

The Company follows the policy of taking the maximum capital cost allowances available under the Income Tax Act. These capital cost allowances are materially in excess of depreciation, calculated in accordance with rates prescribed by the Public Utilities Commission and recorded in the books of account.

The Company's loss-carry-forwards for tax purposes, created as described above, are now almost exhausted and forecasts indicate that income tax will be incurred in the ensuing fiscal year. The projected capital programme will, however, for some long period of time allow capital cost allowances substantially in excess of depreciation recorded in the Company's books. This, coupled with the continued expensing of capitalized overheads for tax purposes, will result in a relatively low percentage of income tax in relation to net income.

## Sinking Fund

During the year long-term debt was reduced by \$631,000 through the operation of the Sinking Fund. The securities were acquired by the Company on the open market at a discount, and were applied to satisfy sinking fund requirements.



## Capital Expenditures

In the fall of 1957 your Company commenced gas service to approximately 5,000 customers in 25 towns and communities. This coming year Inland will be sending out in excess of 40,000 bills per month to customers in 50 communities. In order to keep pace with this growth and enable us to continue to improve service to our many customers, Inland has entered into an agreement for the installation of an IBM Model 360/20 computer similar to the one photographed above. We are already billing our appliance customers on the computer through a service bureau and we will convert all of our gas customers to computer billing during the summer of 1969. Future computer applications include inventory, payroll and general accounting.

Company growth has also dictated the need for increased office space. Pictured below left is the new 29-storey MacMillan Bloedel Building situated at 1075 West Georgia Street. Your Company has taken a long-term lease on the entire nineteenth floor of this structure. The relocation scheduled for January 1969 will increase Head Office floor space from the present 7,800 square feet to approximately 13,000 square feet. This increased floor area will provide space for the new Data Processing Department, installation of telemetering instrumentation, and allow room for future growth in all departments.

Approximately 93 miles of transmission line, distribution mains and services were installed during the year ended June 30, 1968. Construction commenced in the latter part of May on transmission and distribution facilities to supply the communities of Princeton, Peachland, Westbank, Coldstream, Falkland, Naramata and Midway. Large industrial customers which were provided with service during the year included Intercontinental Pulp Co. Ltd. and Union Oil Company of Canada Limited in Prince George, and Eddy Match Company in Nelson. The total capital expenditure during the year ended June 30, 1968 was \$2,802,000.



## Marketing and Sales

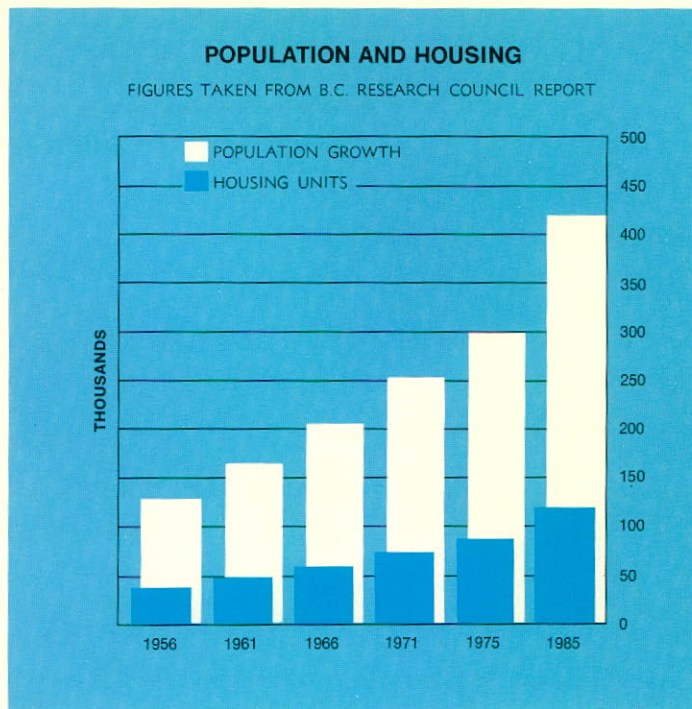
It is mentioned elsewhere in this report that Inland is extending gas service to ten new communities in your Company's general service area. Several promotional programmes were developed to obtain maximum results from these new markets including a public education exhibition featuring the modern convenience of natural gas appliances and services. Information was presented to municipal councils, service clubs, chambers of commerce, and other groups. This was followed by door-to-door canvassing. In all cases where twenty-one year franchise agreements were submitted to voters, returns were overwhelmingly favourable.

Continued cooperation with appliance dealers, together with Inland's equipment financing plan, again resulted in a considerable number of conversions to natural gas from other fuels. The May 1967 gas price reduction from which residential customers obtained full benefits last winter places natural gas in an even more competitive position. Notwithstanding an increased effort on the part of suppliers of competitive fuels, 91% of all new homes on our mains were connected for heating and hot water. In the urban areas, over 50% of the total households are still potential customers. This challenge is being met by extending mains and replacing appliances that are using other forms of energy as they become obsolete.

With the high degree of acceptance of natural gas in new construction, the population and housing graph on this page illustrates the potential rapid increase in future sales to that market.

The Company's commercial and industrial Sales Department has been successful in converting numerous plants and commercial buildings to natural gas throughout its system and, by close cooperation with architects and design engineers, insures that natural gas is specified for virtually all new industrial and commercial projects. One of the side benefits from extensive use of natural gas is a noticeable reduction in air pollution in many B.C. Interior cities.

A notable public relations vehicle initiated during the past year was the publication and circulation of a newsletter entitled "The Inlander". This four-page illustrated communication is issued quarterly to all Company personnel and business associates.



## ANNUAL REPORT AWARDS



*R. B. Stokes, Inland's Vice-President of Finance, is pictured above with awards received by the Company for both the 1966 and the 1967 annual reports to shareholders. The 1966 report won first place honors from Toronto's Financial Post for public utilities in Canada. The same report was judged third best in its category by the Financial World in New York who reviewed over 5,000 entries in its 27th report survey. A Certificate of Merit has been received from the Financial World for the Company's 1967 report.*



## WHOLLY OWNED SUBSIDIARIES

### St. John Gas & Oil Co. Ltd. (N.P.L.)

Holds interests in lease selections from former permits 22 and 30 near Fort St. John in northeastern British Columbia.

The Company participates in the production of six natural gas wells and two oil wells.

### Grande Prairie Transmission Co. Ltd.

The Company gathers gas from four fields north of Grande Prairie in the Peace River area of Alberta and transmits the gas to the outskirts of the City of Grande Prairie and five other villages between Grande Prairie and Spirit River, where the gas is sold to Northland Utilities Limited for distribution in these communities. Sales for the year ended June 30, 1968 amounted to 1,109 million cubic feet of natural gas compared to 1,113 million cubic feet in the previous year. The slight drop in sales was due to the fact that the average temperature during the year ended June 30, 1968 was somewhat warmer than the previous year. Had the weather been the same as the previous year, the annual sales would have maintained the normal growth of approximately 3%.

During the year the Company constructed 5 miles of transmission line, 1.7 miles of gathering line, and a compressor station to connect a new field to the system.

The Canadian National Railway extension linking Grande Prairie to the C.N.R. mainline near Hinton is nearing completion. This reduces the rail haul 300 miles between northwestern Alberta and the west coast. It is expected that this line will lead to development of a number of major industries along the railway right-of-way. An indication of this is that Proctor & Gamble Co. of Cincinnati are carrying on feasibility studies with the object of constructing a pulp mill in the Grande Prairie area.

### Peace River Transmission Company Limited

The Company purchases gas from the gathering system of Westcoast Transmission Company Limited and transmits the gas through 35 miles of transmission lines to the outskirts of the City of Dawson Creek in northern British Columbia, where the gas is sold to Northland Utilities Limited for distribution in Dawson Creek and Pouce Coupe.

Sales for the year ended June 30, 1968 were 1,834 million cubic feet as compared to 1,921 million cubic feet for the previous year. The decrease in annual sales is due to the fact that the British Columbia Hydro and Power Authority's gas-fueled generating plant in Dawson Creek used less gas during the year.

### Inland Development Co. Ltd.

The exceptional growth of population of the urban centres now on the Inland distribution system is creating a strong demand for housing and other types of community projects, and naturally your Company wants to play an active part in the development of the area it covers.

For that purpose, consultants have been hired and a new department is being set up which will endeavour to acquire land for possible development in the most suitable centres. Close contacts will be maintained with the municipalities, real estate agents, local plants, builders and developers. We believe that this venture will be of benefit to both the communities we serve and to the Company itself.

As a first step, seven major localities have been selected as favourable locations for land investment and are being closely examined with a view to land purchase in the very near future.

The Company also holds a number of second mortgages on residential and commercial buildings in the northern part of the Inland service area.

## COMMUNITY DEVELOPMENT



*Benefits of co-operation in community development have been nowhere better demonstrated than at Kelowna, where Inland has been an active partner in an extensive housing project. Here Inland branch manager D. G. Pratt discusses plans with A. Blackford, left, manager of Okanagan Builders' Land Development Co., for the third and fourth stages of the model Mount Royal subdivision. Mr. Pratt is wearing his "Roottoppers" jacket, emblematic of a special award he received from the National House Builders' Association for outstanding contributors. He is also secretary of the Okanagan Builders' Land Development Co.*



## Gas Supply and the Link

The Company purchases its firm gas requirements under a long-term agreement with Westcoast Transmission Company Limited. This agreement will remain in effect until October 31, 1991, without any escalation in price until October 31, 1987. The commitment to Inland under this contract is a maximum delivery of 170 million cubic feet per day.

In addition to this contract, Inland has a long-term contract (1992) to purchase up to 24,400 Mcf daily from the Alberta and Southern Gas Co. Ltd.; the price of the gas is calculated on a cost-of-service basis. Before deliveries can be made under this contract an 88-mile transmission line has to be built joining the West Kootenay area of the Inland system with the Alberta Natural Gas Company transmission line near the international border at Kingsgate, B.C.

Under the Westcoast contract, Inland is required to purchase its firm gas at a load factor that cannot economically be met without restricting the firm requirements of industrial customers during peak winter months. Having the Alberta gas available will enable your Company to meet all demands for firm gas service. It would also provide security of service to residential and commercial customers including hospitals, schools, hotels, public buildings, and so forth, in the event of emergencies such as outages. The Company is also faced with increasing the capacity of its existing system to meet the growth in load, and this alternate source will solve that problem. Therefore, this secondary supply of gas benefits all customers regardless of whether they are in the Prince George district, Okanagan Valley, or the West Kootenays.

It is significant that there will be no material change in Westcoast's annual sales to Inland if the link is constructed.

A new application has been filed with the Public Utilities Commission for authority to construct this link. The proposal has been before the Public Utilities Commission on two previous occasions, but the Commission found certain deficiencies in the material supporting the application. In the main, these deficiencies were contractual matters which have now been cleared away. The project will bring natural gas service to the communities of Salmo, Fruitvale, and Montrose which would otherwise be without service. Tremendous benefits will accrue to industry, residential and commercial customers, and to the provincial economy when this transmission line is built and put into service.

## Financing

Your Company is proceeding with plans for further permanent financing. Approval in principle has been received from the Public Utilities Commission of British Columbia for an issue of \$3,000,000 First Mortgage Bonds which the Company plans to place in the very near future. This will be followed by an offering of common shares on a rights basis to raise approximately \$2,000,000 sometime in the 1969 fiscal year.

## GENERAL

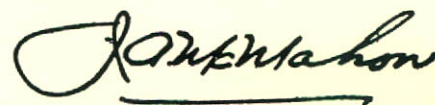
Approximately 93% of the shareholders of Preferred and Common stock of the Company are resident in Canada. The distribution of each class of shares is set forth herewith:

	<u>Shareholders</u>		<u>Shares Held</u>	
	<u>1968</u>	<u>1967</u>	<u>1968</u>	<u>1967</u>
<b>Preferred</b>				
Canada .....	2,559	2,615	398,747	398,800
U.S.A. ....	10	9	845	875
Others .....	8	7	408	325
	<u>2,577</u>	<u>2,631</u>	<u>400,000</u>	<u>400,000</u>
<b>Common</b>				
Canada .....	4,072	3,509	1,664,444	1,583,352
U.S.A. ....	399	424	256,708	330,101
Others .....	90	80	420,473	428,172
	<u>4,561</u>	<u>4,013</u>	<u>2,341,625</u>	<u>2,341,625</u>

All the funded debt of the Company has been placed in Canada, and the principal and interest payments thereon are payable in Canadian funds only.

We have a very loyal and efficient group of employees, which is reflected in the excellent financial results achieved again this year. The Directors wish to record their sincere appreciation for a job well done.

For the Board of Directors



President.

September 20, 1968



## NEW PIPELINES TRANSPORT THE BENEFITS OF NATURAL GAS TO ADDITIONAL INTERIOR COMMUNITIES

Transmission and distribution systems to service homes and industries in eight new Interior communities will be completed by autumn of this year. The Company's expansion program will bring natural gas for the first time to Peachland, Westbank, Coldstream, Naramata, Falkland, Midway, Princeton and Westsyde. Preliminary survey and engineering work is being carried out to service the municipalities of Ashcroft and Clinton in early 1969. Pictures on this page illustrate construction of the 4", 23 mile Summerland/Westbank transmission line which has now been completed. Construction of Inland's second major pipeline project which will connect Princeton with 42 miles of 3" lateral is well under way.

*Right: Excavating machine is capable of preparing 1 mile of pipeline ditch per day.*

*Below: A section of plastic coated pipe is held in place for welding. Care is taken to avoid damage to coating or pipe in all phases of construction and back-filling.*







*Top left: Welder makes one of three separate welds to complete each joint. Sample joints are x-rayed for quality control.*

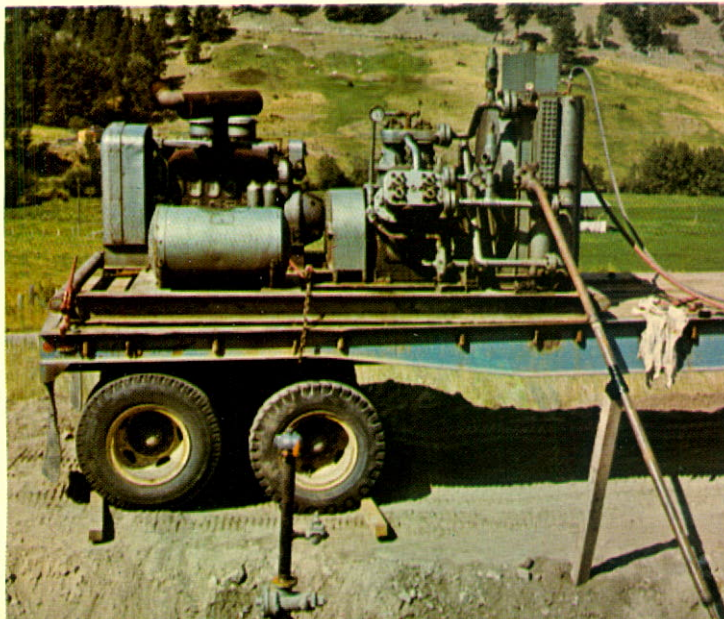
*Top right: Machine saws neatly through asphalt. This method minimizes damage, inconvenience and repairs to city streets.*

*Left: Section of distribution main is lowered into place. Padded clamp is used to avoid pipe damage.*

*Right: Distribution system is connected to transmission line through pressure reducing equipment.*

*Below left: Mobile compressor unit pressure-tests transmission system up to 1200 pounds per square inch.*

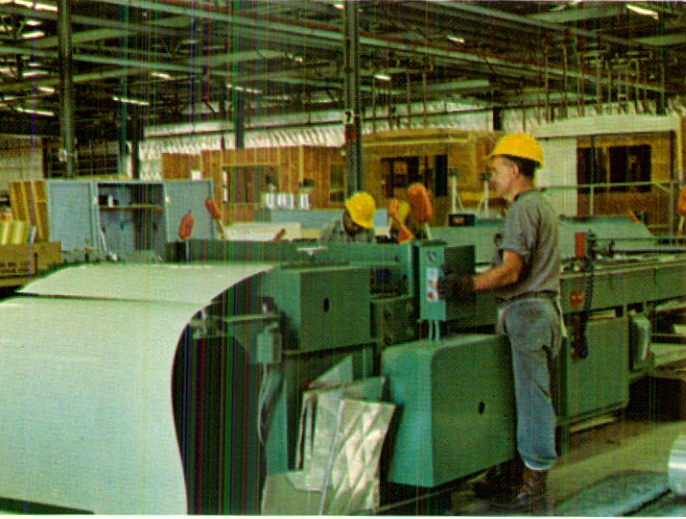
*Below right: Contractor, Inland's project engineer, and civic dignitaries at sod-turning ceremony in Princeton.*





## NEW PLANTS

These two pages feature some of the many new plants and industries locating in Inland's service area. All plants illustrated are Inland customers.



*Top left: GENERAL COACH-  
WORKS OF CANADA LTD.  
PENTICTON  
manufactures 2½ completely  
furnished 60' mobile homes per  
day. Company's future production  
target calls for 6 completions  
per day.*

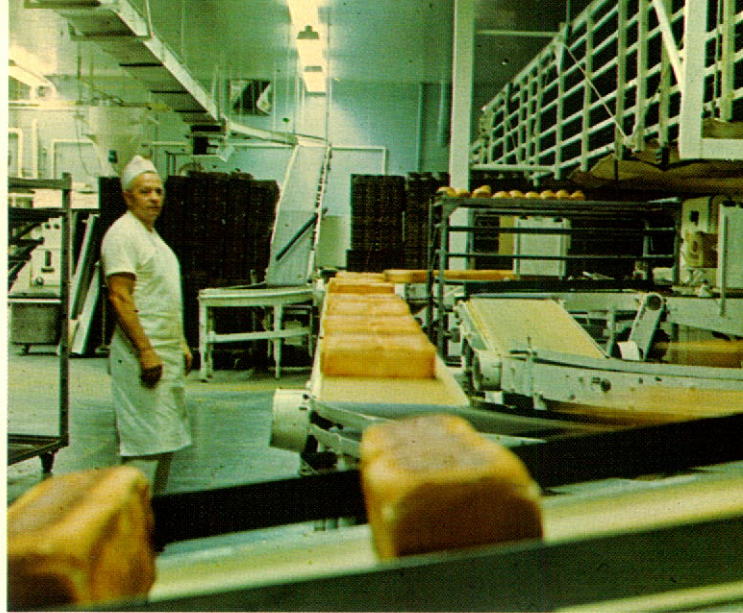
*Top right: INLAND CHEMICALS  
OF CANADA LTD. PRINCE  
GEORGE  
manufactures sulphuric acid and  
aluminum sulphate for use in the  
pulp and paper industry.*

*Left: WHITE TRUCK  
MANUFACTURING LTD.  
KELOWNA  
custom design and build  
White Star heavy duty trucks  
for customers in western Canada  
and United States.*





*Above: NOCA DAIRY, VERNON.  
Bulk milk tanks in centralized dairy plant.*



*Below: AMERICAN CAN OF CANADA LTD., KELOWNA.  
This plant will produce cans for the Interior fruit industry.*

*Bottom: COOPERATIVE FEED SERVICES, PRINCE GEORGE.  
Manufactures various forms of livestock and poultry feed.*



*Top: MCGAVINS TOASTMASTER LTD., KELOWNA.  
Gas baked bread is prepared for distribution in the B.C. Interior.*

*Above: OKANAGAN BUILDINGS PRODUCTS LTD., PENTICTON.  
Concrete block plant uses natural gas for new fast-cure method.*

*Below: EDDY MATCH COMPANY LTD., PLYWOOD DIVISION, NELSON.  
Pictured here is gas-dried wood awaiting further processing.*







**PUBLIC AND  
COMMERCIAL  
BUILDINGS**

Construction of schools, hospitals, institutions, and commercial buildings continues at a high level to keep pace with population growth in Inland's area.



*Top: New hospital, Summerland.*

*Above right: Canada Trust building, Prince George.*

*Right: New Vernon High School.*

*Below: Selkirk College, Kinnaird.*





**INLAND NATURAL GAS CO. LTD.***and Wholly-owned Subsidiaries*

**STATEMENT OF CONSOLIDATED INCOME  
AND RETAINED EARNINGS  
FOR THE YEAR ENDED JUNE 30**

	1968	1967
<b>OPERATING REVENUE</b>		
Sale of gas .....	\$13,307,665	\$12,988,672
Transportation allowance .....	151,800	151,800
Connection charges .....	63,115	59,690
Other operating revenue .....	264,920	247,457
	<u>13,787,500</u>	<u>13,447,619</u>
<b>OPERATING EXPENSES</b>		
Purchase of gas .....	6,315,797	6,022,636
Operation and maintenance .....	1,050,348	1,139,077
Provincial and municipal taxes .....	360,982	331,203
Franchise expense .....	211,725	199,773
General and administrative (Note 5) .....	510,183	547,202
Provision for depreciation (Note 4) .....	969,513	918,107
	<u>9,418,548</u>	<u>9,157,998</u>
Income from operations .....	<u>4,368,952</u>	<u>4,289,621</u>
<b>OTHER DEDUCTIONS</b>		
Interest on funded debt .....	1,529,267	1,568,094
Other interest .....	179,726	112,811
Amortization of discount and expense of funded debt .....	97,215	97,215
	<u>1,806,208</u>	<u>1,778,120</u>
Income before taxes thereon .....	<u>2,562,744</u>	<u>2,511,501</u>
Provision for income taxes (Note 6) .....	14,323	22,479
<b>NET INCOME</b> for the year .....	<u>2,548,421</u>	<u>2,489,022</u>
Retained earnings at beginning of year .....	<u>4,525,654</u>	<u>3,261,884</u>
	<u>7,074,075</u>	<u>5,750,906</u>
Deduct		
Dividends declared on preference shares .....	400,000	400,000
Dividends declared on common shares .....	995,191	819,569
Adjustment of prior years' earnings .....	—	5,683
Abandonment of non-producing properties .....	313,237	—
	<u>1,708,428</u>	<u>1,225,252</u>
<b>RETAINED EARNINGS</b> at end of year .....	<u>\$ 5,365,647</u>	<u>\$ 4,525,654</u>

The accompanying notes are part of these financial statements.



**INLAND NATURAL GAS CO. LTD.***and Wholly-owned Subsidiaries***CONSOLIDATED****AS AT****ASSETS**

	1968	1967
<b>CURRENT ASSETS</b>		
Accounts receivable .....	\$ 1,604,143	\$ 1,452,502
Mortgages receivable .....	16,385	255,182
Inventories of materials and supplies, at cost .....	725,432	768,941
Prepaid expenses .....	40,587	50,371
	<u>2,386,547</u>	<u>2,526,996</u>
<b>MORTGAGES AND OTHER LONG TERM RECEIVABLES</b> .....	771,263	521,040
<b>INVESTMENT IN MARKETABLE SECURITIES, at cost</b>	<u>100,000</u>	<u>—</u>
<b>PROPERTY, PLANT AND EQUIPMENT, at cost</b>		
Natural gas transmission lines and distribution systems .....	42,611,315	39,993,214
Plant, buildings and equipment .....	2,739,509	2,696,450
Land and land rights .....	1,037,681	972,288
	<u>46,388,505</u>	<u>43,661,952</u>
Accumulated depreciation .....	5,442,858	4,549,354
	<u>40,945,647</u>	<u>39,112,598</u>
Interest in petroleum and natural gas properties .....	144,360	456,177
Accumulated depletion .....	50,796	49,150
	<u>93,564</u>	<u>407,027</u>
	<u>41,039,211</u>	<u>39,519,625</u>
<b>OTHER ASSETS AND DEFERRED CHARGES</b>		
Commission and expense on issue of preference shares .....	1,265,678	1,265,678
Unamortized discount and expense on funded debt .....	1,330,386	1,427,601
Incorporation and organization expenses .....	24,724	24,724
	<u>2,620,788</u>	<u>2,718,003</u>
	<u>\$46,917,809</u>	<u>\$45,285,664</u>

The accompanying notes are part of these financial statements.



# BALANCE SHEET

JUNE 30

## LIABILITIES

### CURRENT LIABILITIES

	1968	1967
Bank loan .....	\$ 2,258,293	\$ 485,520
Bankers' acceptances .....	1,000,000	1,500,000
Accounts payable .....	1,097,638	904,410
Interest accrued on funded debt .....	313,346	321,591
Dividends payable .....	100,000	100,000
Property and franchise taxes accrued .....	455,906	441,501
Bonds redeemable within one year .....	416,000	391,000

5,641,183      4,144,022

### DEFERRED INCOME

92,609      141,618

### FUNDED DEBT (Notes 1 and 2)

First Mortgage Sinking Fund Bonds 6¼ % Series C, maturing May 1, 1983 .....	18,478,000	18,894,000
5½ % Convertible Sinking Fund Debentures, Series A maturing February 15, 1977 .....	5,840,000	6,080,000

24,318,000      24,974,000

## SHAREHOLDERS' EQUITY

### SHARE CAPITAL

5% Cumulative preference shares, par value \$20 per share, redeemable  
at not more than \$21 per share

Authorized: 500,000 shares

Issued: 400,000 shares .....

8,000,000      8,000,000

Common shares, par value \$1 per share

Authorized: 5,000,000 shares

Issued: 2,341,625 shares .....

2,341,625      2,341,625

### PREMIUM ON COMMON SHARES

1,158,745      1,158,745

### RETAINED EARNINGS, per statement attached (Note 3)

5,365,647      4,525,654

16,866,017      16,026,024

\$46,917,809      \$45,285,664

Approved on behalf of the Board

JOHN A. McMAHON, Director

FRED B. BROWN, Director



**INLAND NATURAL GAS CO. LTD.***and Wholly-owned Subsidiaries*

**STATEMENT OF CONSOLIDATED SOURCE  
AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED JUNE 30**

<b>SOURCE OF FUNDS</b>	<b>1968</b>	<b>1967</b>
Net income for the year .....	<b>\$ 2,548,421</b>	<b>\$ 2,489,022</b>
Add – Non cash charges to income		
Depreciation and depletion .....	<b>969,513</b>	918,107
Amortization of discount and expense of funded debt .....	<b>97,215</b>	97,215
	<u><b>3,615,149</b></u>	<u>3,504,344</u>
 <b>APPLICATION OF FUNDS</b>		
Additions to property, plant and equipment .....	<b>2,802,336</b>	2,657,252
Investment in marketable securities .....	<b>100,000</b>	—
Sinking fund for bonds and debentures .....	<b>656,000</b>	631,000
Dividends on preference and common shares .....	<b>1,395,191</b>	1,219,569
Increase (decrease) in mortgages and long term receivables (net) .....	<b>299,232</b>	(61,489)
	<u><b>5,252,759</b></u>	<u>4,446,332</u>
 <b>DECREASE IN WORKING CAPITAL</b> .....	 <b>\$ 1,637,610</b>	 <b>\$ 941,988</b>

The accompanying notes are part of these financial statements.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 1968

## 1. 5½ % Convertible Sinking Fund Debentures

The 5½ % Convertible Sinking Fund Debentures, Series A are (inter alia) unsecured obligations of the Company but are subject to restrictions of the Trust Indenture dated February 15, 1957. They are callable at a premium of 2.2% up to and including February 14, 1969 and thereafter at a reducing premium. The convertible feature of the debentures expired November 15, 1967.

## 2. Sinking Fund Requirements

The Trust deeds for the Series C bonds and the Series A debentures, require the Company to establish sinking funds to retire approximately 50% of each issue prior to maturity. The annual requirements to date have been fulfilled by retirement of the stipulated principal amount of such securities. The requirements over the next five years are 1969 - \$656,000; 1970 - \$682,000; 1971 - \$709,000; 1972 - \$739,000; 1973 - \$770,000. Prior to June 30, 1968, the Company had purchased and retired \$240,000 Series A debentures in satisfaction of the 1969 sinking fund requirement for this issue.

## 3. Dividends

Under the provisions of the Trust Indenture covering the issue of the 6¼ % First Mortgage Sinking Fund Bonds, Series C, certain tests must be met before the Company can pay dividends on its Common Shares. The application of these tests to the accompanying financial statements indicates that all of the Company's retained earnings are available for distribution.

## 4. Depreciation

Depreciation is computed in conformity with requirements of the Public Utilities Commission of British Columbia whereby approved depreciation rates for each class of plant are applied to the Company's investment in such plant at the beginning of the year. This procedure yielded a composite rate of 2.36% for the year ended June 30, 1968.

## 5. Directors' Remuneration

The total amount deducted in the Statement of Consolidated Income in respect of remuneration to directors including president's salary was \$53,800.

## 6. Income Taxes

Certain overhead expenses which have been and continue to be capitalized in the Company's accounts are now being claimed for income tax purposes in the year incurred. The retroactive impact of these adjustments created a loss carry-forward for tax purposes of \$1,317,000 as at June 30, 1967.

Further, as has been the practice in prior years, the Company and its subsidiaries are claiming capital cost allowances for income tax purposes in excess of depreciation recorded in their accounts.

As a result of the foregoing, (1) the combined provision for income taxes is approximately \$1,258,000 less than the provision that would otherwise have been charged against income for the 1968 fiscal year, (2) the accumulated amount by which income taxes have been so reduced in 1968 and prior years is approximately \$5,793,000 and (3) the Company has created a loss carry-forward of approximately \$120,000 for income tax purposes as at June 30, 1968.

In September 1964, the Public Utilities Commission changed its method of calculating income taxes in the regulation of natural gas companies in order that the savings resulting from the use of capital cost allowances in excess of depreciation provided would flow through to the consumers. For regulatory purposes only, the total tax differential accumulated by the Commission is being credited to income tax expense at the rate of approximately \$160,000 per annum plus interest for the fiscal years 1964 to 1968 inclusive. No change is required in the Company's accounts which, as approved by the Commission, do reflect the "flow-through" basis for income taxes.

## 7. Contingent Liability

The Company has guaranteed collection of certain second mortgages in the amount of \$422,000 as at June 30, 1968 sold by Inland Development Co. Ltd.

## 8. Lease Commitment

The Company has entered into an agreement to lease approximately 13,000 square feet of office space from Macmillan Bloedel Limited at a yearly rental of \$83,100 for a period of ten years. The lease will commence at the time of occupancy which is expected to be early in 1969.

## Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Inland Natural Gas Co. Ltd. and its wholly-owned subsidiaries as at June 30, 1968 and the consolidated statements of income and retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Vancouver, B.C.  
September 6, 1968

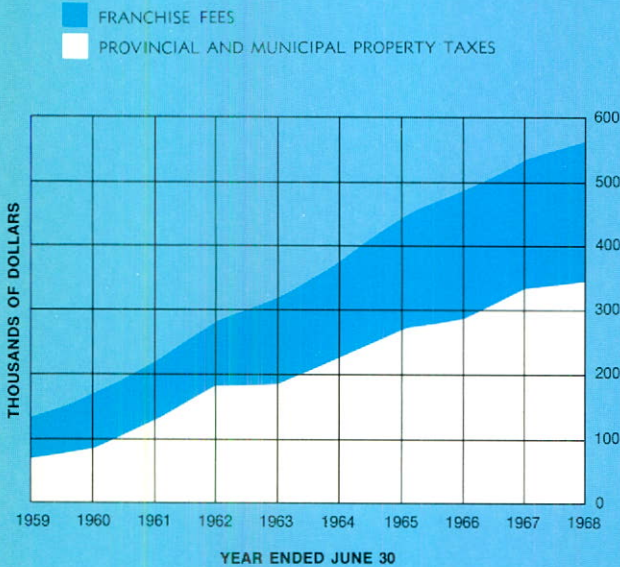
In our opinion these consolidated financial statements present fairly the financial position of the companies as at June 30, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD, GRAHAM & HUTCHISON  
Chartered Accountants

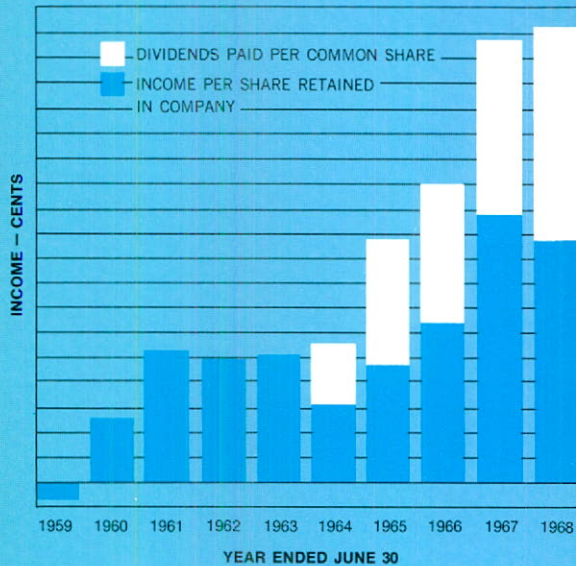


# COMPARATIVE STATEMENT OF

## TAX COSTS



## NET INCOME AND DIVIDENDS PER COMMON SHARE



## OPERATING REVENUES

	1968
Sale of gas .....	\$12,545,300
Transportation allowance* .....	151,800
Connection charges .....	63,115
Other operating income .....	251,299
	<u>13,011,514</u>

## OPERATING EXPENSES

Purchase of gas .....	5,971,774
Operation and maintenance .....	984,408
Provincial and municipal taxes .....	346,214
Franchise expense .....	211,725
General and administrative .....	501,964
Provision for depreciation .....	916,347
	<u>8,932,432</u>

**INCOME FROM OPERATIONS** ..... 4,079,082

## OTHER DEDUCTIONS

Interest on borrowed money .....	1,708,993
Amortization of debt discount and expense .....	97,215
Loss on disposal of fixed assets .....	—
	<u>1,806,208</u>

**NET INCOME** ..... 2,272,874

## INCOME FROM SUBSIDIARY COMPANIES (net)

..... 275,547

**NET CONSOLIDATED INCOME** ..... \$ 2,548,421

## DIVIDENDS

Preference shares .....	\$ 400,000
Common shares .....	995,191
Total dividends .....	<u>\$ 1,395,191</u>

**NUMBER OF COMMON SHARES** ..... 2,341,625

## EARNINGS PER COMMON SHARE

(after provision for preference dividends) ..... \$ .92

**DIVIDENDS PER COMMON SHARE** ..... \$ .42½



# CONSOLIDATED INCOME AND DIVIDENDS

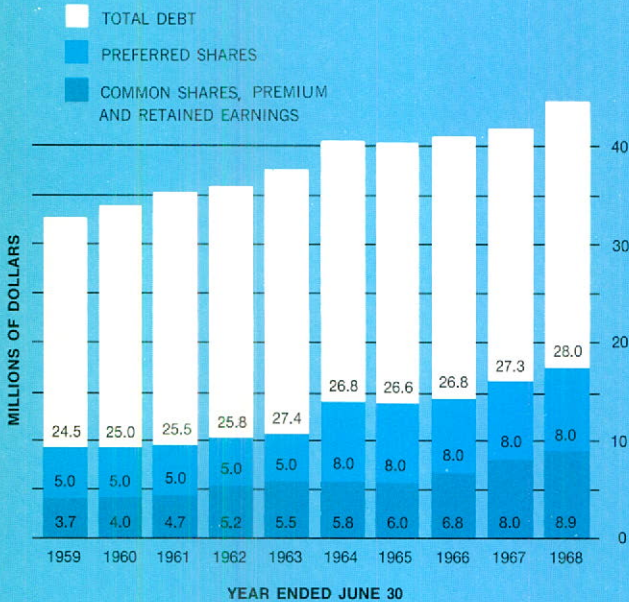
1967	1966	1965	1964	1963	1962	1961	1960	1959
12,234,227	9,799,765	8,479,660	7,423,563	6,556,089	5,878,547	4,868,967	3,857,049	2,418,753
151,800	174,053	175,656	151,800	151,800	151,800	568,470	642,604	589,866
59,690	57,310	47,317	41,570	37,260	30,965	27,250	25,325	24,060
232,753	191,754	162,873	150,617	90,188	36,894	29,726	64,564	20,857
<u>12,678,470</u>	<u>10,222,882</u>	<u>8,865,506</u>	<u>7,767,550</u>	<u>6,835,337</u>	<u>6,098,206</u>	<u>5,494,413</u>	<u>4,589,542</u>	<u>3,053,536</u>
5,694,852	4,280,876	3,557,154	3,212,773	2,996,460	2,750,838	2,527,295	2,078,833	1,176,686
1,075,979	975,191	769,718	686,755	615,373	482,089	368,406	337,339	285,160
316,294	298,680	262,875	225,686	185,064	168,141	122,994	85,307	76,201
199,773	192,324	175,890	147,940	128,841	116,549	88,445	81,322	59,395
542,463	416,817	366,420	295,732	221,411	180,155	171,731	139,350	184,350
868,390	803,515	768,834	733,427	493,426	244,783	25,280	25,527	64,650
<u>8,697,751</u>	<u>6,967,403</u>	<u>5,900,891</u>	<u>5,302,313</u>	<u>4,640,575</u>	<u>3,942,555</u>	<u>3,304,151</u>	<u>2,747,678</u>	<u>1,846,442</u>
<u>3,980,719</u>	<u>3,255,479</u>	<u>2,964,615</u>	<u>2,465,237</u>	<u>2,194,762</u>	<u>2,155,651</u>	<u>2,190,262</u>	<u>1,841,864</u>	<u>1,207,094</u>
1,680,905	1,637,693	1,631,624	1,637,036	1,582,600	1,524,156	1,477,505	1,451,009	1,321,578
97,215	97,215	97,215	97,130	61,468	57,277	46,286	43,966	44,249
-	-	-	379	3,801	6,593	11,576	-	-
<u>1,778,120</u>	<u>1,734,908</u>	<u>1,728,839</u>	<u>1,734,545</u>	<u>1,647,869</u>	<u>1,588,026</u>	<u>1,535,367</u>	<u>1,494,975</u>	<u>1,365,827</u>
2,202,599	1,520,571	1,235,776	730,692	546,893	567,625	654,895	346,889	(158,733)
<u>286,423</u>	<u>285,628</u>	<u>301,741</u>	<u>314,517</u>	<u>322,701</u>	<u>264,041</u>	<u>236,924</u>	<u>212,200</u>	<u>306,004</u>
<u>2,489,022</u>	<u>1,806,199</u>	<u>1,537,517</u>	<u>1,045,209</u>	<u>869,594</u>	<u>831,666</u>	<u>891,819</u>	<u>559,089</u>	<u>147,271</u>
400,000	400,000	400,000	400,000	250,000	250,000	250,000	250,000	250,000
819,569	643,948	585,406	292,703	-	-	-	-	-
<u>1,219,569</u>	<u>1,043,948</u>	<u>985,406</u>	<u>692,703</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
2,341,625	2,341,625	2,341,625	2,341,625	2,341,625	2,341,625	2,341,325	2,341,300	2,341,300
.89	.60	.49	.28	.26	.25	.27	.13	(.04)
.35	.27½	.25	.12½	-	-	-	-	-

\*Compensation paid by Westcoast Transmission Company Limited to Inland Natural Gas Co. Ltd. for the use of Inland's transmission facilities.

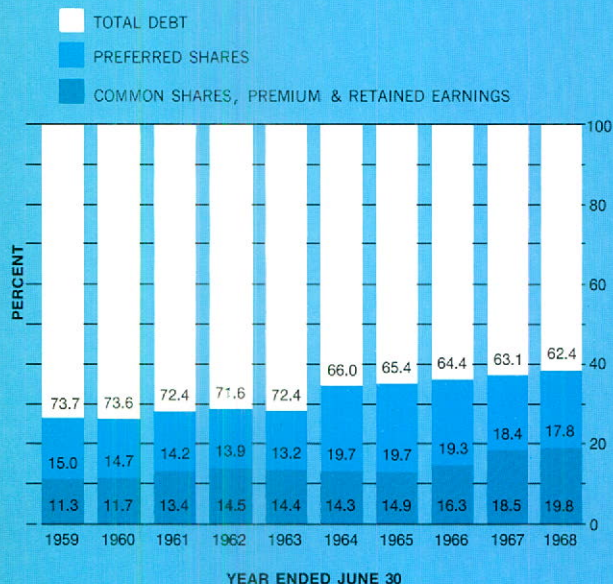


# CONSOLIDATED BALANCE

## CAPITAL STRUCTURE



## CAPITAL RATIOS



## MILES OF COMPANY OWNED LINES

	1968
Transmission	481
Distribution	626
Services	491
Transmission-subsiaries	115

## UTILITY PLANT (\$000)

Transmission	\$19,300
Distribution	20,806
Stand-by	337
General	2,963
Construction work in process	615
<b>Total Utility Plant</b>	<b>44,021</b>

## SUBSIDIARIES' PLANT

	2,512
<b>Total</b>	<b>\$46,533</b>

## ACCUMULATED DEPRECIATION

Inland Natural Gas Co. Ltd.	4,862
Subsidiary companies (including depletion)	632
<b>Total</b>	<b>5,494</b>

## NET CONSOLIDATED PLANT

<b>Total</b>	<b>\$41,039</b>
--------------	-----------------

## CAPITALIZATION (\$000)

First mortgage bonds	\$18,894
Debentures	5,840
Short term notes and bank loan (net)	3,258
<b>Total debt</b>	<b>27,992</b>
Preference shares	8,000
Common shares	2,342
Premium on common shares	1,159
Retained earnings	5,366
<b>Total</b>	<b>\$44,859</b>

## PERCENT OF TOTAL CAPITALIZATION

First mortgage bonds	42.1
Debentures	13.0
Short term notes and bank loan (net)	7.3
<b>Total percent of debt</b>	<b>62.4</b>
Preference shares	17.8
Common shares	5.2
Premium on common shares	2.6
Retained earnings	12.0
<b>Total</b>	<b>100.0</b>

## RATIOS

First mortgage debt interest - times earned	3.65
Total debt interest - times earned	2.56
Preference dividends - times earned	6.37



# SHEET INFORMATION

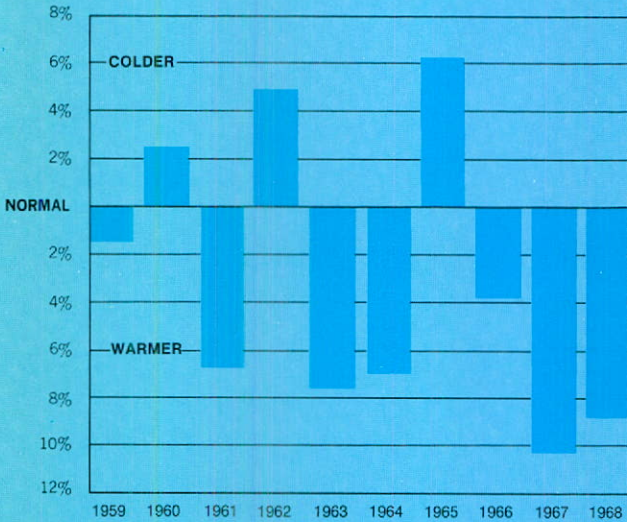
1967	1966	1965	1964	1963	1962	1961	1960	1959
471	440	408	400	393	391	390	386	385
576	541	496	457	433	393	375	356	340
458	424	385	351	319	282	253	220	183
109	109	102	102	102	102	96	96	96
18,570	18,081	17,544	17,231	17,190	16,806	16,787	16,564	16,393
19,258	17,818	16,098	14,890	13,605	12,209	11,202	10,331	9,428
333	324	321	319	318	318	319	314	311
2,953	2,780	2,639	2,381	2,251	1,756	1,784	1,637	1,607
508	68	50	39	77	7	9	6	25
41,622	39,071	36,652	34,860	33,441	31,096	30,101	28,852	27,764
2,496	2,466	2,298	4,447	4,297	4,461	4,285	4,179	4,038
44,118	41,537	38,950	39,307	37,738	35,557	34,386	33,031	31,802
4,017	3,218	2,455	1,758	1,032	532	255	193	122
581	532	481	1,215	1,091	967	860	728	417
4,598	3,750	2,936	2,973	2,123	1,499	1,115	921	539
39,520	37,787	36,014	36,334	35,615	34,058	33,271	32,110	31,263
19,285	19,653	20,000	20,000	20,000	16,200	16,800	14,400	15,000
6,080	6,320	6,500	6,800	7,027	7,171	7,171	7,171	7,171
2,000	800	100	-	400	2,400	1,500	3,400	2,300
27,365	26,773	26,600	26,800	27,427	25,771	25,471	24,971	24,471
8,000	8,000	8,000	8,000	5,000	5,000	5,000	5,000	5,000
2,342	2,342	2,342	2,342	2,342	2,342	2,341	2,341	2,341
1,159	1,159	1,159	1,159	1,159	1,159	1,157	1,157	1,157
4,526	3,262	2,519	2,316	1,964	1,734	1,224	483	256
43,392	41,536	40,620	40,617	37,892	36,006	35,193	33,952	33,225
44.5	47.3	49.2	49.3	52.8	45.0	47.7	42.4	45.2
14.0	15.2	16.0	16.7	18.5	19.9	20.4	21.2	21.6
4.6	1.9	.2	-	1.1	6.7	4.3	10.0	6.9
63.1	64.4	65.4	66.0	72.4	71.6	72.4	73.6	73.7
18.4	19.3	19.7	19.7	13.2	13.9	14.2	14.7	15.0
5.4	5.6	5.8	5.8	6.2	6.5	6.6	6.9	7.0
2.7	2.8	2.9	2.8	3.0	3.2	3.3	3.4	3.5
10.4	7.9	6.2	5.7	5.2	4.8	3.5	1.4	.8
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3.50	2.91	2.64	2.25	2.51	2.45	2.85	2.36	1.74
2.55	2.18	2.02	1.72	1.63	1.62	1.66	1.45	1.18
6.22	4.52	3.84	2.61	3.48	3.33	3.57	2.24	.59



# COMPARATIVE STATEMENT OF SALES,

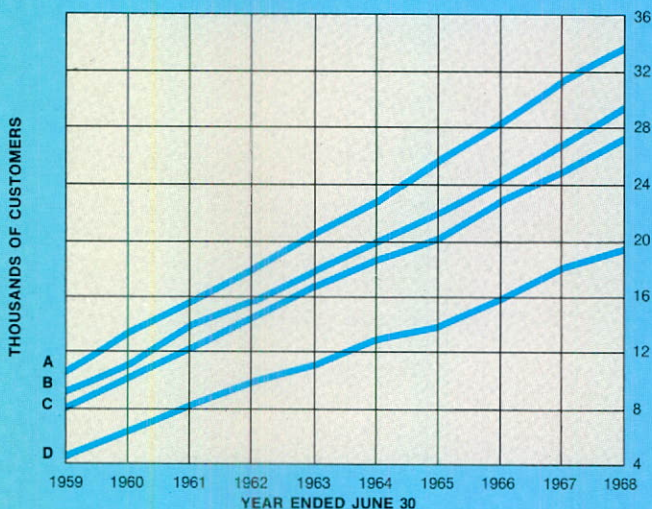
## AREA TEMPERATURES

BASED ON 30 YEAR AVERAGE  
 Climatology Division, Meteorological Branch  
 Dominion Dept. of Transport



## CUSTOMER UTILIZATION

A TOTAL CUSTOMERS      C RESIDENTIAL SPACE HEATING  
 B TOTAL RESIDENTIAL    D RESIDENTIAL HOT WATER



1968

### REVENUE (\$000)

Residential .....	\$ 3,994
Commercial .....	2,748
Special construction .....	28
Small industrial .....	1,142
Industrial .....	4,633
Total natural gas revenue .....	<u>\$12,545</u>

### SALES (MMcf)

Residential .....	3,424
Commercial .....	2,702
Special construction .....	38
Small industrial .....	1,688
Industrial .....	12,218
Total natural gas sales .....	<u>20,070</u>

### CUSTOMERS AT YEAR END

Residential .....	29,437
Commercial .....	4,318
Special construction .....	58
Small industrial .....	78
Industrial .....	24
Total customers at year end .....	<u>33,915</u>

### CUSTOMER STATISTICS

Average use per customer (Mcf)	
Residential .....	121
Commercial .....	649
Average rate per Mcf	
Residential .....	\$ 1.17
Commercial .....	\$ 1.02

COST OF NATURAL GAS PURCHASED (\$000) ..... \$ 5,972

VOLUME OF NATURAL GAS PURCHASED (MMcf) ..... 19,823

MAXIMUM DAY SENDOUT (Mcf) ..... 84,624



# PURCHASES AND CUSTOMER STATISTICS

1967	1966	1965	1964	1963	1962	1961	1960	1959
3,862	3,804	3,722	3,159	2,788	2,601	2,068	1,832	1,292
2,391	2,421	2,201	1,720	1,491	1,397	1,130	1,011	692
45	66	1	—	—	—	—	—	—
1,238	837	535	376	243	146	131	110	54
<u>4,698</u>	<u>2,672</u>	<u>2,021</u>	<u>2,169</u>	<u>2,034</u>	<u>1,735</u>	<u>1,540</u>	<u>904</u>	<u>381</u>
<u>12,234</u>	<u>9,800</u>	<u>8,480</u>	<u>7,424</u>	<u>6,556</u>	<u>5,879</u>	<u>4,869</u>	<u>3,857</u>	<u>2,419</u>

3,020	2,772	2,546	2,133	1,867	1,790	1,391	1,267	874
2,295	2,171	1,895	1,456	1,257	1,197	947	863	605
59	89	1	—	—	—	—	—	—
1,842	1,211	747	527	345	209	199	155	85
<u>12,543</u>	<u>7,103</u>	<u>5,420</u>	<u>5,964</u>	<u>5,680</u>	<u>4,953</u>	<u>4,428</u>	<u>2,773</u>	<u>1,340</u>
<u>19,759</u>	<u>13,346</u>	<u>10,609</u>	<u>10,080</u>	<u>9,149</u>	<u>8,149</u>	<u>6,965</u>	<u>5,058</u>	<u>2,904</u>

27,133	24,508	22,020	20,148	18,007	15,739	13,798	11,686	9,203
4,013	3,687	3,355	2,979	2,677	2,266	1,986	1,732	1,347
219	398	20	—	—	—	—	—	—
79	73	58	48	36	22	13	13	10
23	19	19	23	23	20	14	10	9
<u>31,467</u>	<u>28,685</u>	<u>25,472</u>	<u>23,198</u>	<u>20,743</u>	<u>18,047</u>	<u>15,811</u>	<u>13,441</u>	<u>10,569</u>

117	119	121	112	111	121	109	121	116
596	617	598	515	509	563	509	561	542

1.28	1.37	1.46	1.48	1.49	1.45	1.49	1.45	1.48
1.04	1.12	1.16	1.18	1.19	1.17	1.19	1.17	1.14

5,695	4,281	3,557	3,213	2,996	2,751	2,527	2,079	1,177
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19,387	13,103	10,513	10,011	9,031	8,058	6,931	5,043	2,910
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80,447	58,353	51,740	42,711	48,466	43,393	31,614	23,609	24,783
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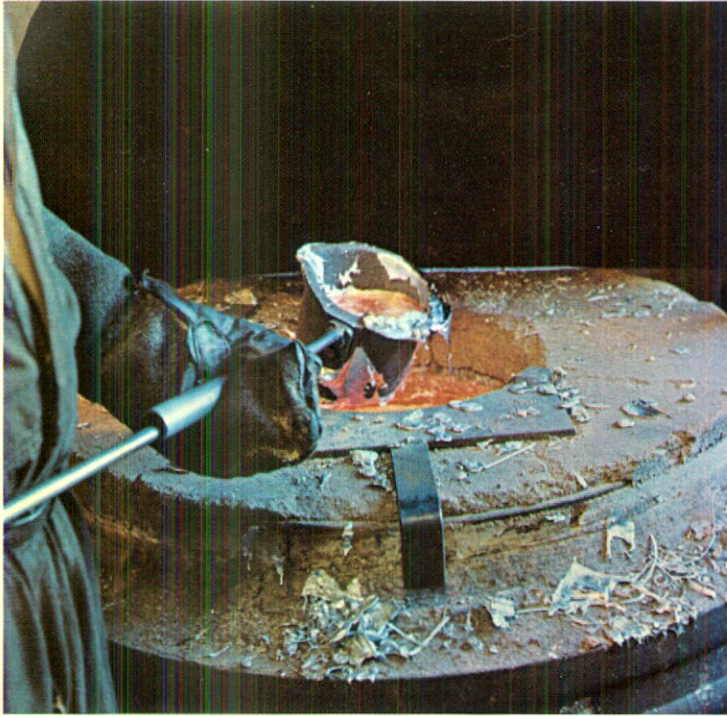


## NATURAL GAS UTILIZATION

Illustrated on this page are some of the various ways natural gas works for Inland customers.

*Right: Natural gas cutting torch slices through plate steel.*

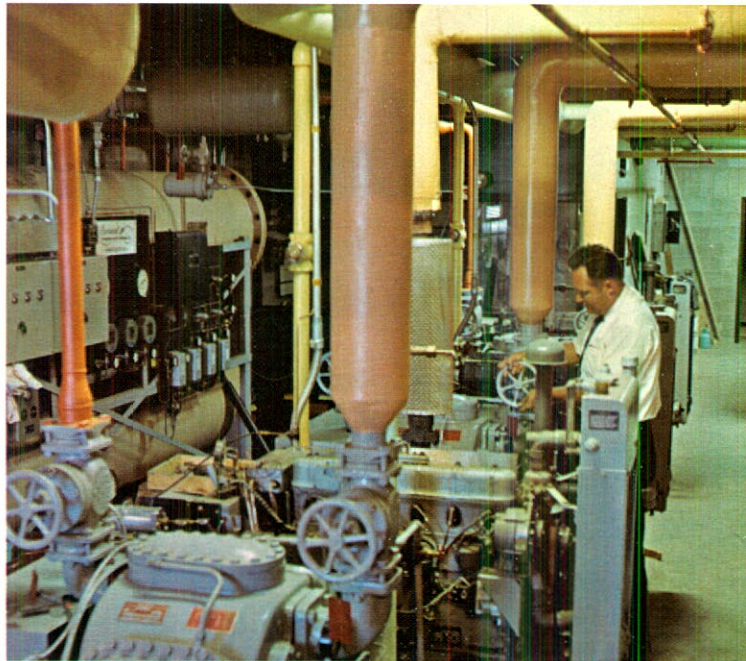
*Below: Molten aluminum for casting is ladled out of gas-fired crucible furnace.*



*Right: Natural gas engines make ice for Interior sports centre.*

*Below right: Hospital worker using gas-fired commercial ironer.*

*Below: Peaches are prepared by Okanagan cannery workers for cooking in continuous process gas cookers.*





**COMMUNITIES  
SERVED**

W. A. C. Bennett Damsite  
Hudson's Hope  
Chetwynd  
Mackenzie  
Shelly  
Prince George  
Quesnel  
Williams Lake  
Lac La Hache  
100 Mile House  
Merritt

Princeton

Savona

Brocklehurst

Kamloops

Westsyde

Valleyview

Falkland

Armstrong

Enderby

Salmon Arm

Canoe

Vernon

Coldstream

Oyama

Winfield

Kelowna

Okanagan Mission

Rutland

Peachland

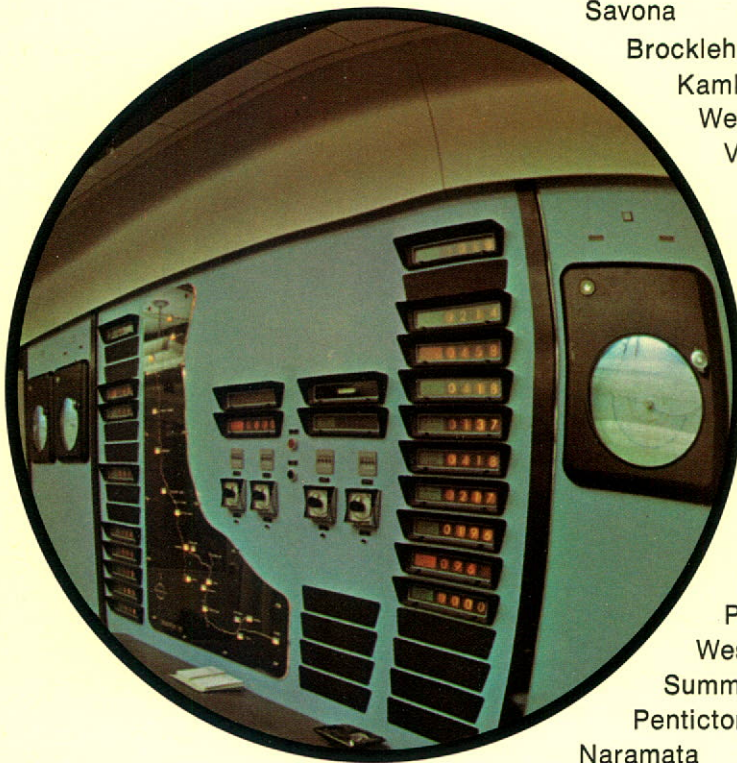
Westbank

Summerland

Penticton

Naramata

Okanagan Falls

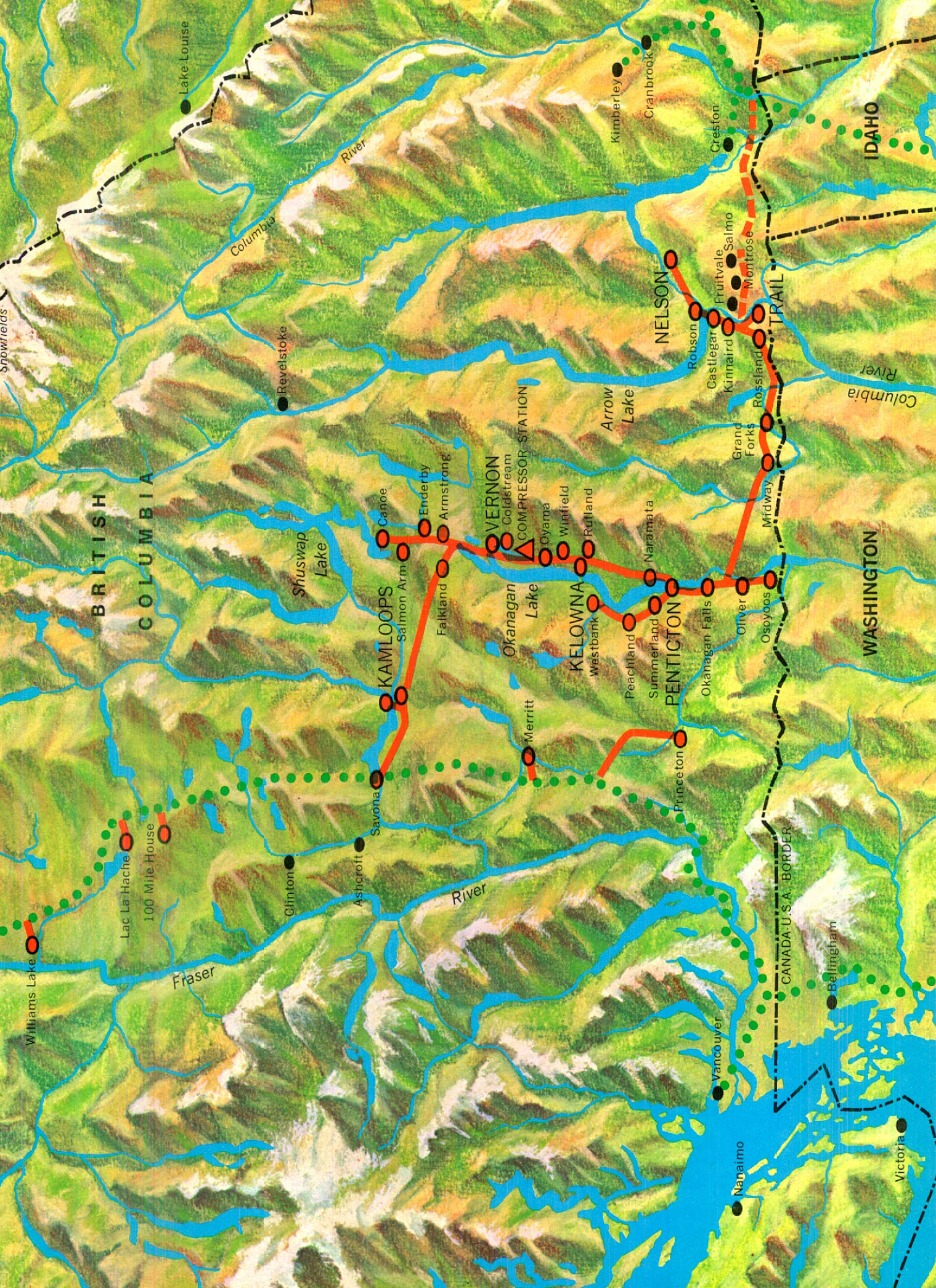


**TELEMETERING EQUIPMENT**

*Data on pressures and gas volumes from various points on Inland's system are electronically fed into the telemeter control panel pictured above enabling engineers to monitor system performance and adjust daily gas purchases to the most economic level.*

Oliver  
Osoyoos  
Midway  
Grand Forks  
Rosland  
Trail  
Tadanac  
Warfield  
Kinnaird  
Castlegar  
Robson  
Nelson





IDAHO

WASHINGTON

BRITISH COLUMBIA

CANADA-U.S.A. BORDER

Columbia River

Shuswap Lake

Okanagan Lake

Arrow Lake

Fraser River

Fraser River

Columbia River

NELSON

VERNON

KELOWNA

PENTICTON

KAMLOOPS

Lac La Hache

100 Mile House

Williams Lake

Clinton

Ashcroft

Savona

Salmon Arm

Falkland

Capoe

Enderby

Armstrong

Coldstream

Oyama

Winfield

Rutland

Naramata

Peachland

Summerland

Okanagan Falls

Oliver

Osoyoos

Grand Forks

Midway

Roseland

Castlegar

Kinnaird

Fruitvale

Salmo

Montrose

Creston

Kimberley

Cranbrook

Lake Louise

Vancouver

Nanaimo

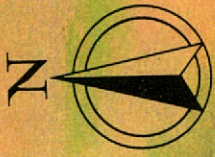
Bellingham

Victoria

COMPRESSOR STATION

Snowfields

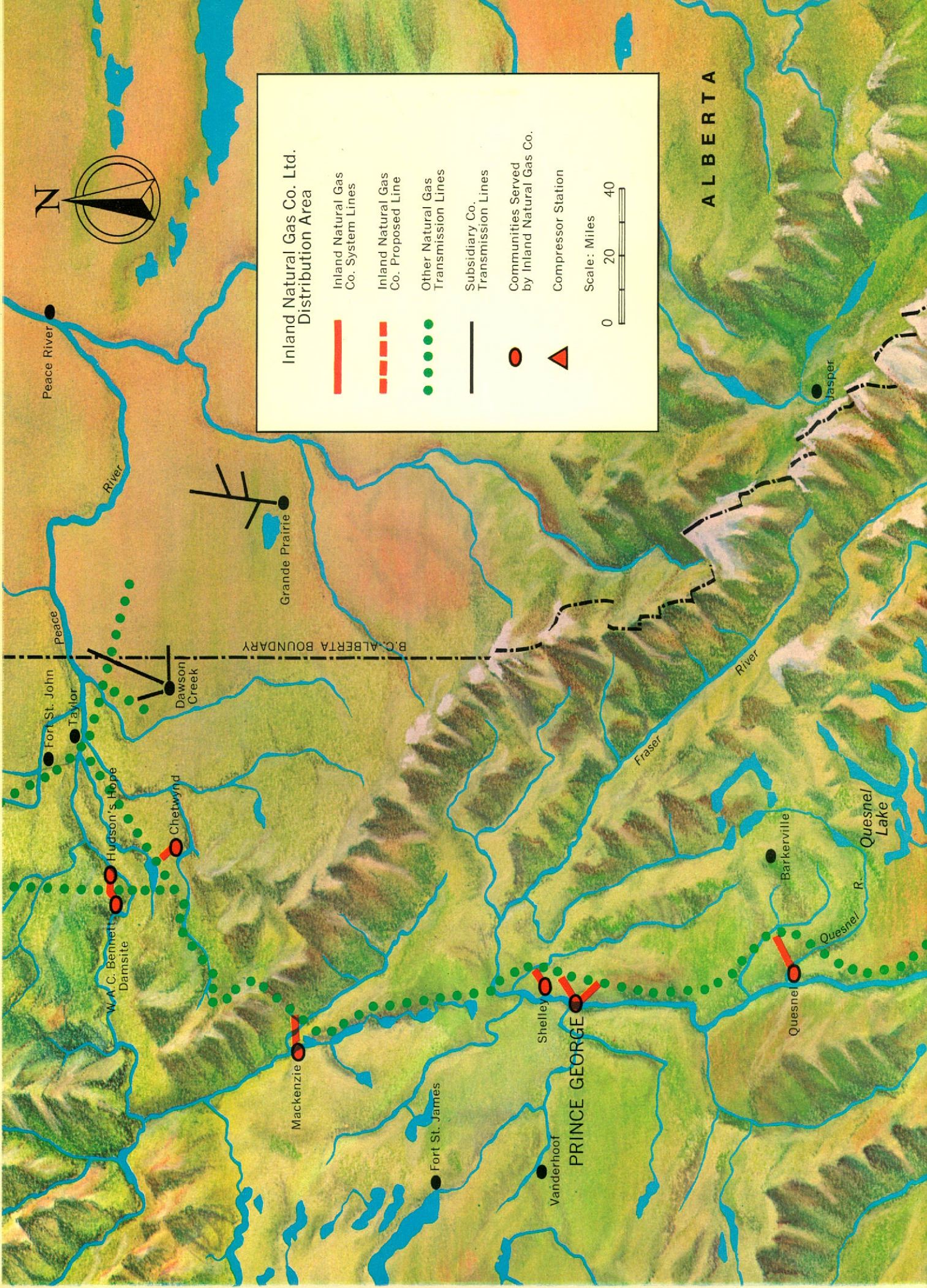




**Inland Natural Gas Co. Ltd.  
Distribution Area**

- Inland Natural Gas Co. System Lines
- Inland Natural Gas Co. Proposed Line
- Other Natural Gas Transmission Lines
- Subsidiary Co. Transmission Lines
- Communities Served by Inland Natural Gas Co.
- Compressor Station

Scale: Miles  
0 20 40



ALBERTA

PRINCE GEORGE

Quesnel Lake

Quesnel R.

Peace River

River

Peace

Fraser

River

W. A. C. Bennett Damsite

Hudson's Hope

Chetwynd

Mackenzie

Fort St. James

Vanderhoof

Shelley

Barkerville

Quesnel

Jasper

B.C. ALBERTA BOUNDARY

Grande Prairie

Dawson Creek

Fort St. John

Taylor



