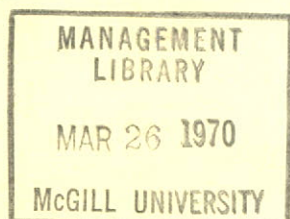




SASKATCHEWAN TELECOMMUNICATIONS



SASK  TEL

BOARD OF DIRECTORS*



HON. A. C. CAMERON — Chairman
 HON. GORDON B. GRANT — Regina
 HON. W. J. PATTERSON — Regina
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 R. L. PIERCE, Esq., Q.C. — Regina
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 Assistant General Manager —
 Operations — A. G. THOMAS
 Comptroller — A. L. M. NELSON
 Manager — Public and Employee Relations —
 G. W. R. CLARKE
 General Counsel and Secretary to the Board —
 T. A. HOWE
 Chief Engineer — S. F. LEE
 General Commercial Manager — J. HOUSTON
 General Plant Manager — H. E. FREBERG
 General Traffic Manager — E. A. McKILLOP

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Regina, Saskatchewan,
March 2, 1970.

To His Honour,
The Honourable Stephen Worobetz, M.C., M.D.,
C.R.C.S.(C)
Lieutenant Governor of the
Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of Saskatchewan Telecommunications for the year ending December 31, 1969 including the financial statement therefor, duly certified by the Provincial Auditor, and in the form approved by the Treasury Board, all in accordance with The Saskatchewan Telecommunications Act.

I have the honour to be Sir,
Your obedient servant,

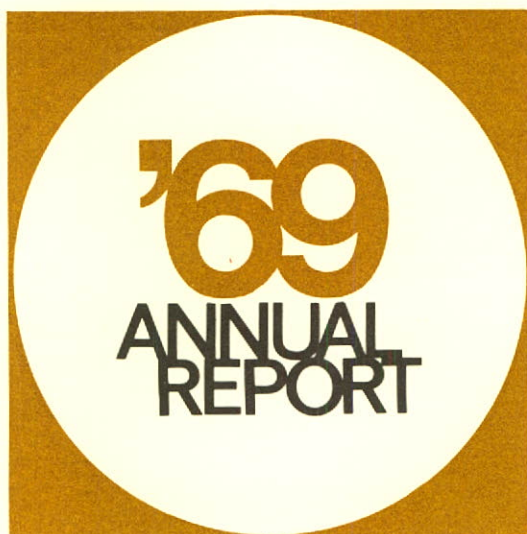
Minister of Telephones and Chairman
Saskatchewan Telecommunications.

SASKATCHEWAN TELECOMMUNICATIONS

HEAD OFFICE
2350 ALBERT STREET
REGINA, SASKATCHEWAN

HIGHLIGHTS OF 1969

- SASK TEL phones in service increased by 3.3% to 306,883 at the end of 1969.
- Long distance messages originating in Saskatchewan increased by 5.3% to 18,272,000 in the year.
- Nineteen exchanges were converted to dial operation.
- Nineteen exchanges were connected to the Direct Distance Dialing Network.
- Regina's switching center for the Canadian Switched Network (AUTOVON) was cut into service.
- The value of telephone property increased by \$15,174,588 to \$217,707,821.
- Operating revenues increased by 8.9%; operating expenses by 6.2%.
- Net income amounted to \$10,775,878.
- \$5,400,000 was appropriated as a dividend for the Province of Saskatchewan.



Throughout the sixties, the Canadian public demanded new and complex communications services to meet the needs of a growing economy and an increasingly mobile population. It is the decade in which computers became established as tools of business with a need to transmit quickly, over long distances, large amounts of data to complement traditional voice and written communication. This in itself has tended to bring Canadians closer together and within easy reach of the rest of the world.

Accompanying this demand has been the interest of government in the long term planning of nation-wide and international communications facilities. On the national level a Department of Communications for Canada was established. The Federal Government is also participating with the common carriers and the public in the building and operation of a satellite system to serve all of Canada.

In step with this decade of change, SASK TEL adopted a new official name to better describe the role it now plays. During the 1969 session the Saskatchewan Legislature passed an act to adopt "SASKATCHEWAN TELECOMMUNICATIONS" as the corporation's new name (effective April 1st, 1969). "SASK TEL" continues as the official abbreviation to be used in the day-to-day marketing of its services and for easy reference to the company.

SUBSTANTIAL GAINS IN LOCAL SERVICE

Despite the leveling off in some segments of the economy which was apparent during the year, SASK TEL installed a significant number of telephones in 1969. The number of telephones in service was increased by

9,874 or 3.3% to attain a year-end total of 306,883. The work involved in recording this net gain is indicated by the fact that 96,581 were installed or connected and 86,707 were disconnected.

Again the year-end "gift phone" sales campaign was effective in contributing to the increase in the number of telephones in service. In mid-year the first modern telephone conceived, designed and manufactured in Canada was made available to SASK TEL customers. The new telephone has its dialing mechanism located in the handset, and is available in attractive new colors. Public acceptance of the set has taxed the supplier's ability to deliver the number required to satisfy the demand. At the year-end there were approximately 6,500 sets in service in the province. This telephone is a premium rated offering.

Five new rural areas were provided with telephone service during 1969 through SASK TEL's "Unserved Area Program". These are located in the Assiniboia, Bengough, Foam Lake, Paradise Hill and Pierceland exchange areas. Through these five projects some 180 farm homes were added to the telephone network. Part of the Foam Lake project was completed at the year-end. A further thirty subscribers have since been added. The Unserved Area Program is designed to bring much needed telephone service to those parts of rural Saskatchewan which are out of the service range of rural telephone companies. Completion of each project marks the culmination of nearly two years activity in the area concerned, beginning with initial contacts with farmers, establishing committees of interested persons, engineering the areas to be served and finally constructing the physical plant and installing the telephones. Twenty-four unserved area projects have been completed in the province and introduced telephone service to over 1400 farms.



Mrs. E. Shaw, typical of the many women who have served their communities as the "local operator", left her switchboard after almost fifty years of service when Bethune "went-dial" in 1969.

Switching facilities for 51,583 rural telephone company-owned telephones were being provided by SASK TEL at the end of 1969. This is a reduction of 774 during the year. However, some 160 telephones in small urban centers were transferred from rural telephone company service to SASK TEL during 1969.

In addition to the rural telephones switched through the corporation's local facilities, approximately 650 rural subscribers are served from non-system exchanges. These exchanges are provided with long distance services by SASK TEL.

INCREASED LONG DISTANCE USAGE

Again in 1969 a new record in the use of Saskatchewan Telecommunication's voice network was established. The 18,272,000 long distance messages originating in the province represented a year-to-year increase of more than 900,000 for the sixth consecutive time. In addition, SASK TEL facilities carried an increased volume of telephone calls across the province between points outside Saskatchewan. The traffic load on the long distance network was further increased through the growing use of SASK TEL's TWX and WATS services by business subscribers.

In order to develop a greater use of the network during off-peak hours, special low "night-owl" rates for customer-dialed calls between midnight and 6 a.m. began in Canada in 1968. In view of the public's response, similar rates were introduced between Canadian and continental United States points in 1969.

With the addition of 19 exchanges to the DDD network and more customers dialing their own long distance calls, the proportion of direct dialed calls increased to over 41% of the total calls which originated in the province.



To attain optimum usage of long distance facilities, detailed records are kept on the number of calls carried over each circuit.

In late 1969 SASK TEL undertook to give further assistance to rural telephone companies by billing and collecting toll charges directly from their subscribers. This offer followed a pilot project involving some 2,730 subscribers in 16 rural telephone companies. The program is available to any applicant rural telephone company whose subscribers have dial service and where it is the sole rural company connecting to a SASK TEL exchange. By the end of the year this service was extended to a further 20 companies. It is anticipated that at the close of 1970 SASK TEL will be collecting long distance charges directly from 20,000 rural company subscribers.

FACILITIES IMPROVED AND EXTENDED

The amount expended by SASK TEL for construction in 1969 was, at \$22,866,000, slightly higher than the amount spent in 1968.



Damage such as this occurred when a savage windstorm hit the province in August. SASK TEL crews worked round the clock to restore service.

A total of 5150 telephones (3232 local and 1918 rural) were converted to dial operation when 19 automatic exchanges were cut into service during the year. With these conversions and growth in other automatic exchanges the proportion of dial phones increased from 94.4% to 95.5% of SASK TEL phones and from 76.8% to 80.6% of rural telephone company phones. At the year-end automatic exchanges were located in 225 communities. In addition 247 other communities were provided with multi-party service from these switching centers. There remained 145 manual offices in the SASK TEL system and 4 rural telephone company-owned manual exchanges in Saskatchewan. In total the manual offices, which are scheduled for dial conversion by the mid-seventies, serve 23,700 subscribers.

SASK TEL benefits through higher reliability and from lower maintenance costs on radio and buried cable facilities as compared with open wire systems. In the year, 552 route miles were added to the radio system in the province bringing the total route mileage in service to 4,189 miles.

A total of 382 miles of cable was buried during 1969 of which 197 miles are now in use in the long distance network. The balance of 185 miles was for exchange service. Since the buried cable program was first begun in 1960, a total of almost 2900 miles of cable has been laid.

As part of the Trans-Canada Telephone System, SASK TEL co-ordinates its construction activities with other member companies of the System to provide an increasingly wide range of telecommunication services to communities across the country. The nation-wide network is expected to increase each year by at least one million circuit miles. Increasing use of long distance calling and use of data communications are reasons for this growth.

In the area of national defence the Trans-Canada Telephone System is playing a vital role. In November, the Regina switching center, along with similar installations at Portage la Prairie, Manitoba, and Lethbridge, Alberta, were cut into service thereby completing the Canadian Switched Network (CSN), part of the world wide AUTOVON (Automatic Voice Network). The network supplies communications between radar stations, air bases, missile sites, and control centers. The electronic switching equipment, in use in the CSN centers, is the forerunner that will revolutionize regular telephone service of tomorrow.

Work was commenced on two major building and equipment extensions. At Saskatoon an additional floor to house new long distance switching equipment and office space for the corporation's operating departments has been completed and installation of equipment commenced. In Yorkton a two story addition nearing completion at the year-end will house the business office, the long distance switchboard and the information boards. The space made available there will be used to accommodate extensions to the existing local and long distance switching equipment.

BUSINESS SERVICES

The installation of a centralized telephone switching system for the Saskatoon Campus of the University of Saskatchewan was the major project on subscribers' premises completed during the year. All local on-campus switchboards, including that of the University Hospital, were replaced by the centralized system. The installation provides direct dialing, allowing both local and long distance calls to by-pass the switchboard and directly connect outside calls to any phone in the

University as well as providing for dialing on-campus calls. The system is capable of being expanded to meet the growth of the University.



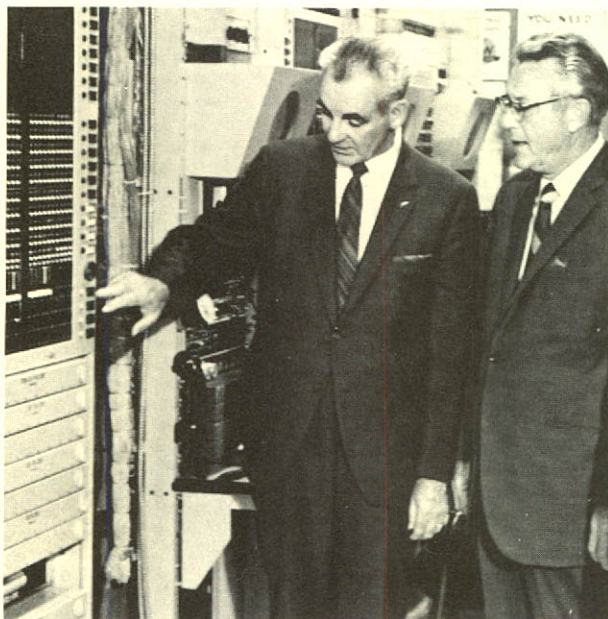
The new on-campus switchboard is the subject of discussion between operator and administrator. This cordless board is part of the centralized telephone system now serving the University and the University Hospital in Saskatoon.

In recent years, the construction of large residential and commercial buildings has increasingly complicated the provision of telecommunication service. To alleviate this problem and to insure that in the planning stages provision is made for adequate space and built-in facilities to handle current and future communication services, a free consulting service for architects, builders, and engineers was established in 1969. Since its inception this new service has been well received.

There was a major increase in the number of mobile telephones served by SASK TEL in 1969. In private mobile service the number of vehicles provided with radio-telephone equipment increased from 466 in 1968 to 757. Private mobile systems are not connected to the telephone network. The number of customer-owned vehicles having general mobile service at the year-end was 250, an increase of 12. General mobile systems provided for local calling and may be connected to the long distance network. SASK TEL maintains 94 base stations within the province to provide these two classes of service.

TELECOMMISSION

Saskatchewan Telecommunications, as part of the communications industry in Canada is participating in studies being undertaken by the Telecommission. This body was established by the federal Department of Communications for the purpose of developing a national telecommunications policy for Canada. A White Paper on this subject is expected later in 1970.



As the supplier of television program transmission service to TV stations, SASK TEL effected the switch between networks when the Regina and Moose Jaw based TV stations changed network affiliation last September.

SATELLITE

SASK TEL, as a member of the Trans-Canada Telephone System, one of Canada's common carriers, will participate in the development and operation of Canada's first communications satellite. Telesat Canada, a corporation to operate the satellite, is to be jointly owned by the Government, the communication's common carriers and the public. The satellite is to be used for television transmission to remote re-broadcast stations as well as voice and data transmission to all parts of the nation.

EMPLOYEES

Saskatchewan Telecommunications acknowledges with thanks the co-operation of its staff for applying their skills and enthusiasm to the successful operations of the corporation in 1969. At the year-end there were 1174 men and 1261 women in the SASK TEL family, 12 employees less than at the end of 1968.

Employee training programs in new techniques and retraining programs to meet the requirement of new methods were continued throughout the year. Supervisory training programs were revised and expanded. One hundred and sixty-nine employees took part in out-of-hours courses of study in various institutions of higher learning during the year. SASK TEL shares in the cost of tuition for approved courses.

Joint meetings between the officials of the Communications Workers of America and the corporation were held to discuss matters of mutual interest.

The province-wide participation in community activities by SASK TEL staff supported jointly by the union and management of the corporation has been gratifying. This was particularly apparent in voluntary employee-response to Blood Donor Drives and United Appeals, and to specific requests for help in times of emergency.

The Trans-Canada Telephone System, which co-ordinates the management and marketing of nation-wide telecommunication services is staffed by supervisory personnel from its member companies. SASK TEL assigned three of its management staff to the System during the year.

FINANCIAL REVIEW

Operating revenues for the year amounted to \$47.1 million, an increase of \$3.8 million or 8.9% over the previous year's figure. Local service revenues at \$17.4 million accounted for approximately \$1 million of the increase. Toll service accounted for a year-to-year gain of \$2.7 million, a relative increase of 10.5%. In large measure this reflects additional revenue from toll service interchanged with



SASK TEL's operators were commended on numerous occasions for the way they handled emergency calls. Dial "O" for operator has proven an effective means of summoning help.

other provinces in Canada as well as that which crosses the province, although intra-province toll revenues also reflected a satisfactory increase. Other revenues, notably those deriving from directory advertising, also reflected a significant gain.

Operating expenses for the year amounted to \$30.9 million. The year-to-year increase was held at \$1.8 million or 6.2% as compared with the 8.9% increase in operating revenues referred to above. This favourable result, also reflected in a year-to-year reduction in staff, has been possible through the continuing emphasis on cost control and the economies being realized from the switching mechanization program now nearing completion. More than half of the increase in operating expenses during the year was accounted for by higher depreciation charges. While this increase is primarily due to additional plant in service, changes in depreciation rates during 1969 also added approximately \$126,000 to the amount provided. The other major component of expenses, namely salaries and wages, accounted substantially for the remaining half of the year-to-year increase.

Grants in lieu of property taxes in the amount of approximately \$559,000 were paid to the various municipalities in the province, an increase of some \$45,000 over the 1968 total.

Other income at \$420,000 was higher than in 1968 by about \$260,000 and reflects interest earnings on short term investments.

Interest expense and other financial costs were up some \$700,000 over the 1968 figure but increased sinking fund earnings of \$581,000, reflecting the current high level of interest rates, held the year to year increase in net cost of capital to \$117,000.

Net income for the year was nearly \$10.8 million. One half of this amount, i.e. \$5.4 million, was appropriated as a dividend for the Province of Saskatchewan.

A total of \$10.1 million of capital advances was received from the Provincial Treasurer during the year. These funds were borrowed by the Province from the Canada Pension Plan at an average annual interest cost of 7.54%. The advances coupled with the funds generated from operations — \$14.1 million after dividend — provided the necessary capital to finance the year's net construction program of \$18.9 million as well as an amount of \$4.7 million as a provision for repayment of advances at maturity.

The proportion of the corporation's capital represented by debt was further reduced to a level of 80.9% as compared with 82.4% at the end of the previous year.

FINANCIAL STATEMENTS



AUDITOR'S REPORT

I have examined the balance sheet of Saskatchewan Telecommunications as at December 31, 1969 and the statements of income and source and disposition of funds for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements, read in conjunction with notes numbered 1 to 7 thereto, present fairly the financial position of Saskatchewan Telecommunications as at December 31, 1969 and the results of its operations and the source and disposition of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

R. C. Hodsman, F.C.A.,
Provincial Auditor

Regina, Saskatchewan,
February 13, 1970.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1969 (1968)

	1969	1968
OPERATING REVENUES		
Local Service	\$ 17,427,915	\$ 16,416,314
Toll Service	28,249,646	25,542,822
Other Revenues (Note 1)	1,677,692	1,523,362
Less: Uncollectible Operating Revenues	<u>260,454</u>	<u>216,924</u>
TOTAL OPERATING REVENUES	\$ 47,094,799	\$ 43,265,574
OPERATING EXPENSES		
Maintenance	\$ 7,172,315	\$ 6,502,938
Depreciation	10,950,447	10,066,510
Traffic	5,318,435	5,306,364
Commercial and Marketing	2,766,409	2,685,544
General Administration	2,665,573	2,566,906
Grants in Lieu of Taxes	559,363	514,402
Other Expenses (Note 2)	<u>1,459,408</u>	<u>1,458,361</u>
TOTAL OPERATING EXPENSES (Note 3)	\$ 30,891,950	\$ 29,101,025
NET OPERATING REVENUE	\$ 16,202,849	\$ 14,164,549
OTHER INCOME	420,225	158,386
	<u>\$ 16,623,074</u>	<u>\$ 14,322,935</u>
INTEREST AND OTHER DEDUCTIONS (Note 4)	5,847,196	5,730,079
NET INCOME FOR THE YEAR	\$ 10,775,878	\$ 8,592,856
DIVIDEND—Government of Saskatchewan	5,400,000	4,300,000
NET INCOME AFTER DIVIDEND		
—transferred to retained earnings	<u>\$ 5,375,878</u>	<u>\$ 4,292,856</u>

The accompanying notes are an integral part of the financial statements.

BALANCE

ASSETS

TELEPHONE PROPERTY

	1969	1968
Land and Buildings (at cost)	\$ 24,805,692	\$ 23,193,560
Telephone Plant and Equipment (at cost) ..	189,473,206	177,787,565
	<u>\$214,278,898</u>	<u>\$200,981,125</u>
Less: Accumulated Depreciation	67,208,822	59,987,170
	<u>\$147,070,076</u>	<u>\$140,993,955</u>
Construction in Progress	3,428,923	1,552,108
	<u>\$150,498,999</u>	<u>\$142,546,063</u>

CURRENT ASSETS

Cash and Temporary Cash Investments	\$ 125,807	\$ 118,530
Accounts Receivable (less allowance for doubtful accounts)	5,881,724	5,759,673
Materials and Supplies (at cost)	2,929,132	3,011,318
Prepayments	494,766	474,081
	<u>\$ 9,431,429</u>	<u>\$ 9,363,602</u>

DEFERRED CHARGES

Unamortized Discount and Expense on Long Term Liabilities	\$ 1,227,068	\$ 1,350,606
	<u>\$161,157,496</u>	<u>\$153,260,271</u>

The accompanying notes are an integral part of the financial statements.

SHEET

AS AT DECEMBER 31, 1969 (1968)

LIABILITIES

LONG TERM LIABILITIES AND RETAINED EARNINGS

	1969	1968
Advances from the Government of Saskatchewan (Note 7)	\$147,831,422	\$137,579,814
Less: Equity in Sinking Funds (Note 7)	47,846,626	41,154,022
	<u>\$ 99,984,796</u>	<u>\$ 96,425,792</u>
Less: Sinking Fund Payments and Repayments of Advances, due within one year (Note 5)	4,640,522	4,126,686
	<u>\$ 95,344,274</u>	<u>\$ 92,299,106</u>
Retained Earnings	37,646,059	32,270,181
	<u>\$132,990,333</u>	<u>\$124,569,287</u>
BANK NOTES PAYABLE (Note 6)	<u>\$ 11,800,000</u>	<u>\$ 13,800,000</u>

CURRENT LIABILITIES

Interest Accrued on Long Term Liabilities .	\$ 2,109,662	\$ 1,868,734
Accounts Payable	3,608,619	4,026,986
Dividend — Government of Saskatchewan ..	5,400,000	4,300,000
Service Billed in Advance	608,360	568,578
Sinking Fund Payments and Repayments of Advances, due within one year.	4,640,522	4,126,686
	<u>\$ 16,367,163</u>	<u>\$ 14,890,984</u>
	<u>\$161,157,496</u>	<u>\$153,260,271</u>

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1969 (1968)

SOURCE OF FUNDS	1969	1968
Operations		
Net Income For The Year	\$ 10,775,878	\$ 8,592,856
Add: Depreciation and Other		
Non-Cash Items (Net)	8,726,548	8,484,369
	<u>\$ 19,502,426</u>	<u>\$ 17,077,225</u>
Advances from the Government of		
Saskatchewan	10,100,000	2,000,000
Net Change in Bank Notes Payable	(2,000,000)	8,800,000
Decrease in Working Capital	1,408,352	—
	<u>\$ 29,010,778</u>	<u>\$ 27,877,225</u>
 DISPOSITION OF FUNDS		
Construction Expenditures		
Gross Construction Expenditures	\$ 22,866,417	\$ 22,590,454
Less: Net Salvage Value of Plant		
Retired, Capital Contributions		
and Non-Cash Charges to		
Construction	3,986,160	3,530,816
	<u>\$ 18,880,257</u>	<u>\$ 19,059,638</u>
Sinking Fund Payments and		
Advance Repayments	4,730,521	4,114,871
Dividend — Government of Saskatchewan ..	5,400,000	4,300,000
Increase in Working Capital	—	402,716
	<u>\$ 29,010,778</u>	<u>\$ 27,877,225</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1— OTHER REVENUES

Other Revenues comprise the following:

	1969	1968
Directory Advertising	\$ 928,672	\$ 736,175
Rural Company Connecting Fees	459,769	468,533
Rent and Other	289,251	318,654
	<u>\$ 1,677,692</u>	<u>\$ 1,523,362</u>

NOTE 2— OTHER EXPENSES

Other Expenses comprise the following:

	1969	1968
Superannuation and Canada Pension Plan	\$ 867,019	\$ 819,639
Operating Rents	124,460	245,621
Insurance	47,249	35,760
Other	420,680	357,341
	<u>\$ 1,459,408</u>	<u>\$ 1,458,361</u>

NOTE 3— TOTAL OPERATING EXPENSES

Expenditures for the Administration of the Department of Telephones in the amount of \$198,450 in 1969 (\$188,513 in 1968) and Other Assistance to Rural Telephone Companies during the year amounting to \$39,764 in 1969 (\$77,070 in 1968) are not included as they are reimbursable by grants from the Consolidated Fund of the Province.

NOTE 4— INTEREST AND OTHER DEDUCTIONS

Interest and Other Deductions comprise the following:

	1969	1968
Interest on Advances	\$ 7,204,121	\$ 6,766,924
Amortization of Discount	117,497	117,785
Other Charges	168,041	168,041
Bank Notes and Other Interest	843,848	582,513
	<u>\$ 8,333,507</u>	<u>\$ 7,635,263</u>
Less: Sinking Fund Earnings	2,486,311	1,905,184
	<u>\$ 5,847,196</u>	<u>\$ 5,730,079</u>

NOTE 5— SINKING FUND PAYMENTS AND REPAYMENT OF ADVANCES, DUE WITHIN ONE YEAR

	1969	1968
Sinking Fund Payments	\$ 4,377,037	\$ 4,116,294
Repayment of Advances	263,485	10,392
	<u>\$ 4,640,522</u>	<u>\$ 4,126,686</u>

The advances from the Government of Saskatchewan include a requirement for the corporation to pay annually into a sinking fund administered by the province an amount equal to 3% of the advances made.

NOTE 6— BANK NOTES PAYABLE

This item represents intermediate financing required for the construction program. The notes bear interest at 6½% and are repayable by December 15, 1970.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 7—ADVANCES FROM THE GOVERNMENT OF SASKATCHEWAN

Percent	Due Date		1969		1968	
			Advance	Sinking Fund Equity	Advance	Sinking Fund Equity
3½	Aug. 15, 1970	(1)	\$ 818,375	\$ 1,021,893	\$ 818,375	\$ 935,774
3½	Aug. 15, 1970	(1)	456,338		456,338	
3¼	Nov. 1, 1971	(1)	2,300,000	1,294,922	2,300,000	1,146,349
3¼	April 15, 1972		3,000,000	1,986,680	3,000,000	1,800,263
4	April 1, 1973	(1)	5,000,000	3,514,454	5,000,000	3,192,194
3¼	June 1, 1974	(1)	4,650,000	2,998,900	4,650,000	2,719,167
3½	Jan. 3, 1975		4,000,000	2,483,559	4,000,000	2,246,981
3¼	May 15, 1975		3,000,000	1,855,493	3,000,000	1,683,592
3½	Oct. 1, 1975		1,000,000	626,914	1,000,000	569,715
3¼	Jan. 2, 1976	(1)	6,250,000	3,472,885	6,250,000	3,109,938
4½	Nov. 1, 1976		2,000,000	1,099,609	2,000,000	985,542
4¼	April 1, 1977		7,000,000	3,542,052	7,000,000	3,150,593
2½	July 1, 1969-77	(2)	93,580	—	103,972	—
5¼	Oct. 15, 1977		4,500,000	2,231,714	4,500,000	1,976,878
5¼	June 1, 1978		5,000,000	1,075,111	5,000,000	866,613
5	Sept. 30, 1979		3,000,000	1,036,735	3,000,000	892,714
6	Oct. 1, 1979		7,500,000	2,962,790	7,500,000	2,570,420
5¼	Oct. 16, 1981		7,000,000	2,091,851	7,000,000	1,769,117
5½	Nov. 15, 1982		5,000,000	1,260,716	5,000,000	1,043,378
5	Sept. 1, 1983		10,800,000	4,729,830	10,800,000	4,155,094
4¼	Jan. 2, 1984	(1)	5,000,000	1,959,957	5,000,000	1,701,156
5½	Jan. 15, 1984		8,000,000	1,429,424	8,000,000	1,097,515
5½	July 15, 1985		5,000,000	864,602	5,000,000	667,835
5½	Dec. 1, 1985		9,000,000	1,534,066	9,000,000	1,183,590
5.605	Sept. 1, 1986		2,022,000	907,888	2,022,000	581,243
5.725	Oct. 3, 1986		1,881,000		1,881,000	
5.635	Nov. 1, 1986		1,924,000		1,924,000	
5.635	Dec. 1, 1986		1,574,000		1,574,000	
5.735	Jan. 4, 1987		1,910,000	327,723	1,910,000	157,718
6	March 1, 1987		5,000,000		5,000,000	
5.605	June 1, 1987		772,000		772,000	
6.565	Sept. 3, 1988		1,223,000		1,223,000	
6.525	Oct. 1, 1988		777,000	150,998	777,000	23,363
7.295	Feb. 3, 1989		1,500,000			
7.235	March 4, 1989		1,500,000			
7.595	Sept. 2, 1989		3,701,000			
7.725	Oct. 1, 1989		3,399,000	1,337,383		927,280
4¾	Oct. 1, 1990	(1)	10,000,000		10,000,000	
			\$146,551,293	\$ 47,846,626	\$136,461,685	\$ 41,154,022
Provisions for Exchange on Advances Repayable in United States Dollars			1,280,129	—	1,118,129	—
			<u>\$147,831,422</u>	<u>\$ 47,846,626</u>	<u>\$137,579,814</u>	<u>\$ 41,154,022</u>

(1) Repayable in United States Dollars.

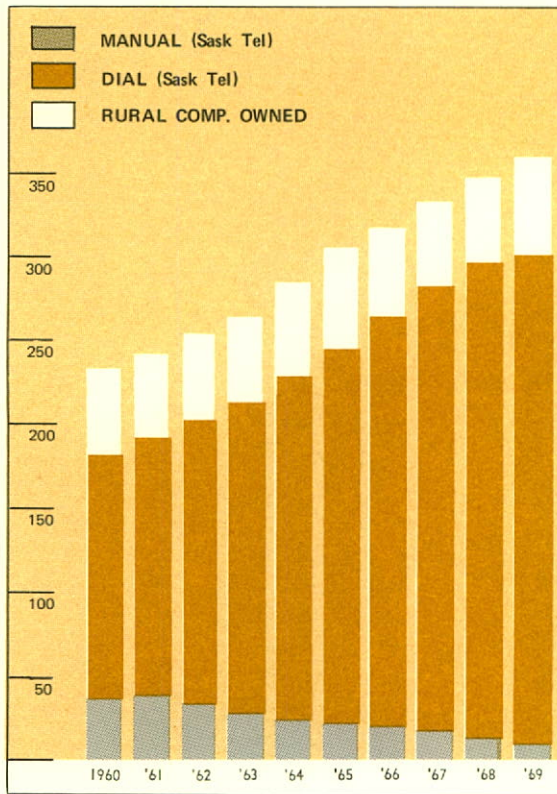
(2) Serially Maturing 1969 through 1977.

(3) Advances repayable in United States dollars are recorded on the basis that a U.S. dollar equals a Canadian dollar. Assuming that the Canadian dollar will continue at a discount in relation to the United States dollar, there will be added redemption costs at maturity of these advances. These will be partially offset by that portion of the Sinking Fund which is invested in U.S. pay securities. In 1969 an amount of \$162,000 has been provided, through a charge against income, towards the balance of these costs.

TELEPHONES

SWITCHED BY SASK TEL

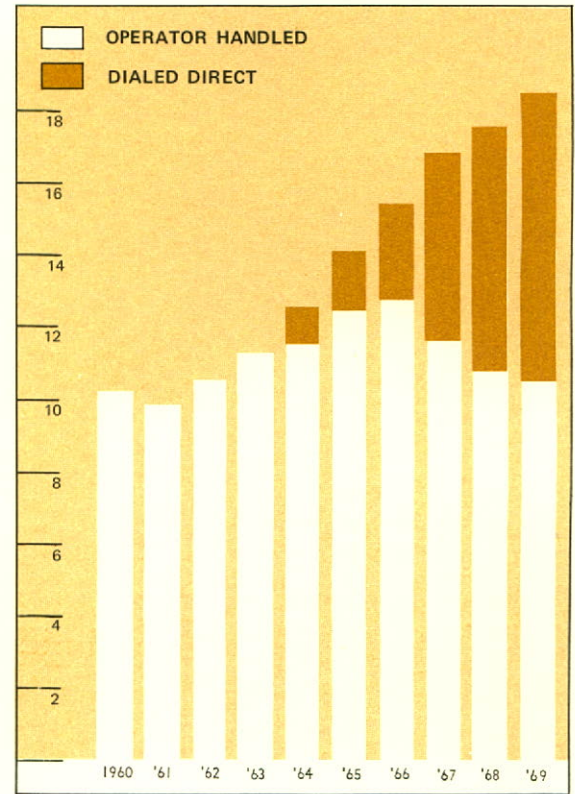
In Thousands of Telephones



LONG DISTANCE MESSAGES

ORIGINATING IN SASKATCHEWAN

In Millions of Messages



AUTOMATIC SERVICE AND DIRECT DISTANCE DIALING

EXCHANGES CONVERTED TO DIAL OPERATION — 1969

*Alameda	*Frobisher	*Riverhurst
*Bethune	*Invermay	*St. Benedict
*Brendenburg	*Kisbey	*Speers
*Colonsay	*Manor	*Tompkins
*Consul	*Middle Lake	*Vanguard
*Fox Valley	*Porcupine Plain	*Young
	*Richmond	

*Exchanges in which Direct Distance Dialing Calls can originate — all others may receive DDD calls.

EXCHANGES SCHEDULED FOR DIAL OPERATION — 1970

*Big River	*Elbow	*Maymont
*Burstall	*Frontier	*Montmartre
*Canwood	*Glenavon	*Osler
*Climax	*Herschel	*Paradise Hill
*Debden	*Kenaston	*Plenty
*Dundurn	*Lang	*Val Marie
	*Limerick	

*Exchanges in which Direct Distance Dialing Calls can originate on conversion — all others may receive DDD calls.

EXCHANGES (PREVIOUSLY DIAL) ADDED TO DDD NETWORK — 1969

Eastend	Meadow Lake	Shaunavon
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DIAL EXCHANGES SCHEDULED FOR DDD — 1970

Beechy	Dinsmore	Outlook
Cutbank	Macrorie	Whitewood

TEN-YEAR RECORD OF PROGRESS

at December 31	1969	1968	1967	1966
TELEPHONES				
Sask Tel Owned	306,883	297,009	282,022	265,765
Percent Dial	95.5%	94.4%	92.5%	91.6%
Connected*	96,581	94,817	91,802	87,162
Net Increase*	9,874	14,987	16,257	17,889
Rural Company Owned (Switched by Sask Tel)	51,583	52,357	52,815	53,231
Percent Dial	80.6%	76.8%	68.0%	63.3%
Telephones Per 100 People	37.6	36.4	35.1	33.6
NUMBER OF EXCHANGES	370	376	387	386
NUMBER OF TOLL OFFICES	42	49	56	57
LONG DISTANCE MESSAGES				
(Origin — Saskatchewan)*	18,272,000	17,351,000	16,443,000	15,448,000
FINANCE				
Operating Revenues*	\$ 47,094,799	\$ 43,265,574	\$ 40,137,356	\$ 36,112,256
Operating Expenses*	\$ 30,891,950	\$ 29,101,025	\$ 26,741,176	\$ 24,659,665
Interest and Other Deductions* ..	\$ 5,847,196	\$ 5,730,079	\$ 5,363,953	\$ 4,846,886
Net Income*	\$ 10,775,878	\$ 8,592,856	\$ 8,321,528	\$ 6,831,255
Dividend—Government of Saskatchewan*	\$ 5,400,000	\$ 4,300,000	\$ 4,150,000	\$ 3,800,000
Telephone Property	\$217,707,821	\$202,533,233	\$189,163,848	\$172,411,573
Advances from Government of Saskatchewan	\$147,831,422	\$137,579,814	\$136,877,940	\$129,043,807
Debt as a Percent of Year-End Capital	80.9%	82.4%	83.5%	84.4%
EMPLOYEES AND PAYROLL				
Men	1,174	1,149	1,128	1,104
Women	1,261	1,298	1,319	1,308
Total	2,435	2,447	2,447	2,412
Payroll*	\$ 15,049,384	\$ 14,400,163	\$ 13,298,458	\$ 12,380,317

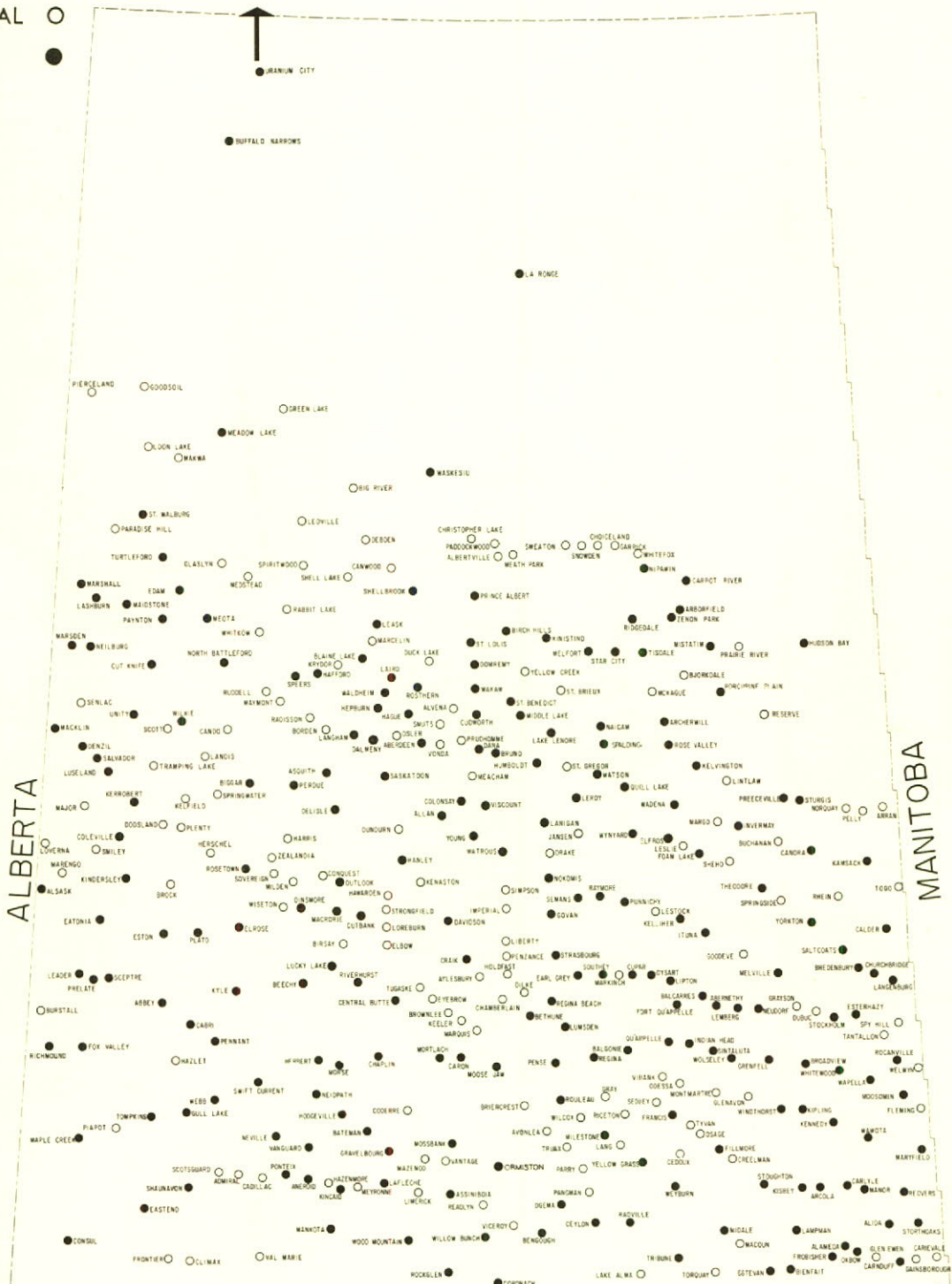
* For the Year Ended December 31



1965	1964	1963	1962	1961	1960
247,876	230,289	215,225	202,861	193,120	183,301
90.4%	89.0%	86.4%	82.9%	80.9%	79.7%
83,251	65,342	65,470	45,657	41,864	40,766
17,587	15,064	12,364	9,741	9,819	10,532
52,787	52,553	52,333	52,302	51,268	50,661
58.0%	51.5%	44.0%	34.4%	25.9%	24.5%
31.9	30.6	29.2	28.0	27.1	26.5
382	380	373	369	366	362
74	83	98	104	118	125
14,182,000	12,536,000	11,299,000	10,584,000	9,979,000	10,243,000
\$ 32,554,096	\$ 28,829,557	\$ 25,974,721	\$ 23,624,151	\$ 22,403,716	\$ 20,259,164
\$ 22,131,105	\$ 20,394,380	\$ 18,546,586	\$ 16,915,417	\$ 16,343,959	\$ 15,825,280
\$ 4,519,804	\$ 4,029,851	\$ 3,486,619	\$ 3,304,649	\$ 3,018,709	\$ 2,798,258
\$ 6,182,595	\$ 4,715,591	\$ 4,158,271	\$ 3,670,972	\$ 3,253,555	\$ 1,955,640
\$ 3,932,595	\$ 4,715,591	\$ 4,158,271	\$ 3,670,972	\$ 3,253,555	\$ 1,955,640
\$157,015,013	\$146,683,866	\$131,930,987	\$120,274,800	\$111,670,577	\$105,828,187
\$122,835,266	\$112,828,161	\$ 97,537,290	\$ 87,847,580	\$ 83,471,317	\$ 76,754,764
85.5%	85.9%	84.1%	82.6%	81.9%	80.6%
1,045	1,014	985	917	875	890
1,265	1,167	1,114	1,037	1,047	1,121
2,310	2,181	2,099	1,954	1,922	2,011
\$ 11,438,606	\$ 10,512,348	\$ 9,889,469	\$ 8,982,725	\$ 8,699,153	\$ 8,244,564

TELEPHONE EXCHANGES

MANUAL ○
DIAL ●



U. S. A.

PRINTED BY
LAWRENCE AMON, PRINTER
TO THE QUEEN'S MOST
EXCELLENT MAJESTY

SASKTEL

1. Regina's microwave tower — pivot point for TV transmission, data, voice and pictures.
2. Long distance cable cut by digging equipment.
3. Aerial cable bridges floodwaters near Craven.
4. TWX technical training session.
5. Foyer intercom for apartment block security system.





SASK TEL, part of
Trans-Canada Telephone System