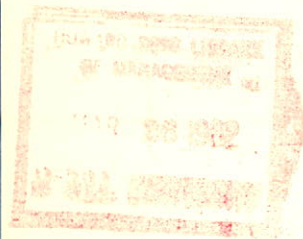


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Northern and Central Gas Corporation Limited
Annual Report

1981



Business of the Company

Northern and Central Gas Corporation Limited owns and operates, either directly or through subsidiaries, natural gas distribution facilities in the provinces of Ontario, Quebec and Manitoba. The Ontario operation serves approximately 80 communities in northwestern, northern and eastern Ontario. In Quebec, Le Gaz Provincial du Nord de Québec Ltée serves Noranda, Rouyn and Temiscaming. In Manitoba, Greater Winnipeg Gas Company operates gas distribution facilities in the greater Winnipeg area and adjacent communities.

Northern and Central Gas Corporation Limited is a wholly owned subsidiary of Norcen Energy Resources Limited.

Highlights

Financial (\$000's)	<u>1981</u>	<u>1980</u>
Sales and other revenues Northern and Central Gas	\$425,978	\$344,490
Greater Winnipeg Gas	165,374	142,736
	<u>\$591,352</u>	<u>\$487,226</u>
Income contribution Northern and Central Gas	\$ 10,330	\$ 9,979
Greater Winnipeg Gas	3,966	4,944
	14,296	14,923
Earnings of Gaz Métropolitain, inc.	5,705	7,109
	<u>\$ 20,001</u>	<u>\$ 22,032</u>
Operating		
Customers at year-end	279,505	265,704
Expenditures on property, plant and equipment, net (\$000's)	\$ 39,615	\$ 33,988
Property, plant and equipment (\$000's)	\$296,378	\$267,452

Report to Shareholders

Revenues and Earnings

Net income for 1981 declined to \$20 million from \$22 million due mainly to the Company's change to the cost method of accounting for its investment in Gaz Métropolitain, inc.

Gaz Métropolitain's contribution to income was \$5.7 million in 1981 compared with \$7.1 million in 1980.

Sales and other revenues increased to \$591.4 million from \$487.2 million in 1980 primarily as a result of gas cost increases passed on to customers. Although the number of customers at year-end increased by 13,800 to 279,505, gas volumes declined to 4,793 10⁶m³ (169.2 billion cubic feet) from 4,898 10⁶m³ (172.9 billion cubic feet) due to warmer weather.

Ontario Operations

Income from operations improved marginally to \$10.3 million from \$10 million in 1980 as the effect of the increased number of customers was offset by 9% warmer weather than last year. Volumes of gas sold to residential and commercial customers declined to 874 10⁶m³ (30.9 billion cubic feet) from 895 10⁶m³ (31.6 billion cubic feet) in 1980 due to warmer weather which was partially offset by customer growth. Industrial firm volumes showed a small improvement while interruptible volumes declined by 23 10⁶m³ (0.8 billion cubic feet) as a result of the continuing lower level of activity of our industrial customers and increasing competition from other fuels. The number of customers increased by 7,800 to 123,658 at the end of 1981.

To make more effective use of surplus natural gas reserves, the federal government made grants of up to \$800 available under the Canada Oil Substitution Program in the middle of 1981 for residential conversions from oil to natural gas.

To the end of the year, 6,000 applications for grants had been received. It is expected that funds will be made available for main extensions and system expansion under the Distribution System Expansion Program, but details of the Program have yet to be finalized.

Capital expenditures increased to \$31.9 million in 1981 from \$24.7 million in 1980 and are expected to be \$32.7 million in 1982.

Manitoba Operations

Contribution to net income was \$4 million in 1981 compared with \$4.9 million in 1980 due to warmer weather than last year. Although the number of customers at year-end increased by 6,040 to 155,847, volumes of gas sold declined by 67 10⁶m³ (2.4 billion cubic feet). Residential and commercial sales volumes declined by 72 10⁶m³ (2.6 billion cubic feet) to 924 10⁶m³ (32.6 billion cubic feet) in 1981 due to the effect of 11% warmer weather than last year which was only partially offset by an increase in the number of customers. 2,700 customers made applications for grants under the Canada Oil Substitution Program.

Capital expenditures were \$7.7 million in 1981 compared to \$9.3 million in 1980 and are expected to be \$10.8 million in 1982.

Regulation

Rate increases were approved in Ontario and Manitoba to recover higher federal excise taxes which became effective May 1, 1981 and July 1, 1981.

The following table summarizes the rates of return approved by the regulatory authorities, and presently in effect:

	Allowed Rate of Return		
	on Rate Base	on Common Equity	Test Year
Northern and Central Gas	10.88	14.1	1979
Greater Winnipeg Gas	11.92	14.1	1980

Northern and Central Gas has filed an application to increase rates to recover higher financing and operating costs based upon a 1983 test year. In addition, the Company has been granted increased rates on an interim basis effective March 1, 1982, which will provide an additional \$4.5 million in revenues on an annual basis. When the main rate case proceedings have been completed, the Company will be able to fully recover costs of capital and of operations on a current basis.

Greater Winnipeg Gas will file an application in early 1982 for increased rates to recover higher costs incurred and to request a higher return on common equity, based upon a 1981 test year.

Financing

In March 1981, the Company issued \$55 million principal amount of 13% debentures due September 1988, exchangeable into common shares of Gaz Métropolitain, inc. Under the terms of the sale, the debenture holders have the voting rights prior to exchange and as a result, the Company no longer has a voting interest in Gaz Métropolitain, inc.

Outlook

The increased public awareness of natural gas as the preferred heating fuel and federal government incentives to promote more widespread use of natural gas will continue to provide opportunities for growth, especially in Ontario. It is expected that these opportunities will present a continuing challenge to the Company and its employees.

I would like to thank the employees of Northern and Central Gas and its subsidiaries for their continued efforts over the past year and wish them success in meeting the challenge that lies ahead.

On behalf of the Board,



JEAN J. LEROUX,

Chairman of the Board.

March 10, 1982.

Summary of Accounting Policies

Year ended December 31, 1981

The Company and its subsidiaries are engaged primarily in regulated gas distribution operations in Manitoba through Greater Winnipeg Gas Company, in Ontario through Northern and Central Gas Corporation Limited and in northwestern Quebec through Le Gaz Provincial du Nord de Québec Ltée all of which is classified as one business segment for financial reporting purposes.

The principal accounting policies followed by the Company and its subsidiaries are summarized here to facilitate a review of the consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. A former subsidiary, Gaz Métropolitain, inc., has been accounted for on the basis set out in note 2.

The excess of acquisition costs over underlying value of net assets at date of purchase in respect of amalgamated companies are included in "Other assets" and are not being amortized.

Foreign currency translation

Amounts in foreign currency have been translated to Canadian dollars on the following bases: current assets and current liabilities, at the rate of exchange as at the balance sheet date; long-term debt, at the rate of exchange at the date the obligation was incurred.

Inventories

Gas in storage is carried at cost which includes transportation and storage. Supplies are carried at the lowest of historic cost, replacement cost and net realizable value.

Properties, plant and equipment

Properties, plant and equipment are carried at cost which includes direct costs, overhead attributable to construction and interest on funds used during construction.

Depreciation is provided on the straight-line method at rates approved by regulatory authorities. The application of such rates is equivalent to a composite rate of approximately 3.04% (2.80% in 1980).

Deferred charges

Costs of issuing long-term debt are deferred in the year incurred and amortized against income over the term of the applicable issue.

The Companies defer, in the year incurred, certain expenses which the regulatory authorities require or permit to be recovered from future revenues; such charges are being amortized over various time periods.

Income taxes

The Companies' rates and revenues, established for regulatory purposes, include recovery of only such income taxes as are currently payable. Accordingly, the Companies provide for income taxes on this basis and do not provide for income taxes which may be payable in future years as a result of current differences in timing of deductions, principally in respect of depreciation and amortization, for financial reporting and income tax purposes. Such income taxes not provided and not recovered in revenues amounted to \$4,100,000 in 1981, (\$3,700,000 in 1980), and \$53,500,000 in total to December 31, 1981.

Consolidated Statement of Income

Year ended December 31, 1981

(thousands of dollars)



	<u>1981</u>	<u>1980</u>
Sales and other revenues		
Gas sales	\$562,893	\$463,829
Interest income		
Gaz Métropolitain, inc.	8,622	10,168
Demand note from parent company (note 3)	3,595	3,595
Advances to parent company	3,982	
Other revenues	12,260	9,634
	<u>591,352</u>	<u>487,226</u>
 Costs and expenses		
Gas purchases	483,904	392,253
Operations and maintenance	45,490	39,477
Depreciation	9,633	8,354
Interest		
Long-term debt	29,111	23,315
Advances from parent company		1,055
Other	2,178	967
Income taxes	6,740	6,882
	<u>577,056</u>	<u>472,303</u>
 Income from operations	14,296	14,923
Earnings of Gaz Métropolitain, inc. (note 2)	5,705	7,109
 Net income	<u>\$ 20,001</u>	<u>\$ 22,032</u>
 Dividends on preference shares	<u>\$ 3,934</u>	<u>\$ 4,117</u>
 Income applicable to common shares	<u>\$ 16,067</u>	<u>\$ 17,915</u>
 Earnings per common share	\$ 0.90	\$ 1.00

Consolidated Balance Sheet

as at December 31, 1981
(thousands of dollars)

Assets		<u>1981</u>	<u>1980</u>
Current Assets	Cash and deposits		\$ 2,238
	Accounts receivable and unbilled gas	\$ 75,769	74,424
	Inventory of gas in storage and supplies	22,274	16,460
	Advances to parent company	1,836	
	Total current assets	99,879	93,122
	Investments (notes 2 and 3)	224,442	229,730
	Properties, plant and equipment (note 4)	296,378	267,452
	Other assets	13,957	14,653
		<u>\$634,656</u>	<u>\$604,957</u>
Liabilities			
Current Liabilities	Bank indebtedness	\$ 1,594	
	Accounts payable and accrued charges	76,667	\$ 71,587
	Income and other taxes	6,650	7,382
	Current maturities on long-term debt	17,843	10,438
	Current liabilities, excluding demand bank credits and advances from parent company	102,754	89,407
	Demand bank credits (note 5)	5,470	9,428
	Advances from parent company		11,200
	Total current liabilities	108,224	110,035
	Long-term debt (note 6)	268,489	236,801
	Total liabilities	376,713	346,836
Shareholders' Equity			
Capital Stock (note 7)	Issued		
	First preference shares		
	101,380 \$2.60 cumulative, first series (107,720 in 1980)	5,069	5,386
	28,593 \$2.70 cumulative, second series (29,393 in 1980)	1,430	1,470
	Second preference shares		
	1,251,900 7.85% cumulative, series A (1,307,900 in 1980)	31,297	32,698
	Third preference shares		
	1,605 \$1.06 cumulative, series A (1,765 in 1980)	40	44
	101,879 \$1.50 cumulative, series B (149,408 in 1980)	2,547	3,735
	414,000 \$1.94 cumulative, series C (460,000 in 1980)	10,350	11,500
	17,860,630 Common shares	142,583	142,583
	Retained earnings (note 8)	64,627	60,705
	Total shareholders' equity	<u>257,943</u>	<u>258,121</u>
		<u>\$634,656</u>	<u>\$604,957</u>

Approved by the Board

 Director
 Director

Consolidated Statement of Changes in Financial Position

Year ended December 31, 1981

(thousands of dollars)

	<u>1981</u>	<u>1980</u>
Source of funds		
From operations	\$ 31,680	\$ 29,619
Issue of long-term debt	55,016	26,000
Increase in demand bank credits		303
Investments	<u>5,412</u>	<u>35,229</u>
	<u>92,108</u>	<u>91,151</u>
Application of funds		
Expenditures on properties, plant and equipment, net	39,615	33,988
Advances to parent company	11,200	27,300
Reduction in demand bank credits	3,958	
Retirement of long-term debt	23,329	14,574
Dividends	16,079	13,583
Redemption of preference shares	3,501	1,591
Other	<u>1,016</u>	<u>1,206</u>
	<u>98,698</u>	<u>92,242</u>
Decrease in funds position	6,590	1,091
Funds position at beginning of year	<u>3,715</u>	<u>4,806</u>
Funds position at end of year	<u>\$ (2,875)</u>	<u>\$ 3,715</u>
Summary of funds position		
Current assets	\$ 99,879	\$ 93,122
Current liabilities, excluding demand bank credits and advances from parent company	<u>102,754</u>	<u>89,407</u>
	<u>\$ (2,875)</u>	<u>\$ 3,715</u>

Consolidated Statement of Retained Earnings

Year ended December 31, 1981
(thousands of dollars)

	<u>1981</u>
Balance at beginning of year	\$60,705
Net income	<u>20,001</u>
	80,706
Dividends	
First preference shares	
—first series	273
—second series	78
Second preference shares —series A	2,487
Third preference shares	
—series A	2
—series B	202
—series C	892
Common shares	<u>12,145</u>
	16,079
Balance at end of year	<u><u>\$64,627</u></u>

Auditors' Report

*To the Shareholders of
Northern and Central Gas Corporation Limited*

We have examined the consolidated balance sheet of Northern and Central Gas Corporation Limited as at December 31, 1981 and the consolidated 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 consolidated financial statements present fairly the financial position of the Company as at December 31, 1981 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.

Toronto, Canada
February 2, 1982

Thomas Riddell
Chartered Accountants

Notes to Consolidated Financial Statements

Year ended December 31, 1981

(Tabular amounts are in thousands of dollars)

1. Accounting policies The summary of the principal accounting policies presented elsewhere is an integral part of these consolidated financial statements.

2. Investment in Gaz Métropolitain, inc. ("GMi")

(a) In July 1980 and March 1981, the Company issued exchangeable subordinated debentures, exchangeable in the aggregate into the Company's entire holding of GMi common shares. Both issues confer upon the holders the right to vote the shares subject to exchange during the terms of the issues and prior to exercising the exchange right. As a result the Company no longer has a voting interest in GMi.

The first issue of \$26,000,000 principal amount of 12% exchangeable subordinated debentures due in 2000 are exchangeable until July 1990 into 3,250,000 common shares of GMi and reduced the Company's voting interest from 72.5% to 49.3%. Effective July 1980 the Company discontinued the inclusion of the accounts of GMi in its consolidated financial statements and adopted the equity method of accounting for its 49.3% common share interest and the cost method for the 3,250,000 common shares subject to the exchange right.

The second issue of \$55,016,392 of 13% exchangeable subordinated debentures redeemable in 1988 are exchangeable at any time during the period into 6,877,049 common shares of GMi. The Company has the option to pay the redemption price in cash or by tendering the shares of GMi subject to the exchange right. Accordingly, the Company commenced, effective January 1981, to account for its investment in GMi by the cost method.

(b) Earnings reflected in the consolidated statement of income are comprised of the following:

	1981
Equity in earnings	
Dividends	
Preference shares	\$ 1,654
Common shares	4,051
	<u>\$ 5,705</u>
Common dividends received	<u>\$ 4,051</u>

3. Investments

	1981
Investment in GMi (note 2)	
Common shares	\$ 78,874
Preference shares	20,731
Debt (i)	75,749
	175,354
Demand note from parent company (ii)	47,300
Mortgages receivable	1,192
Notes receivable	596
	<u>\$224,442</u>

(i) Excludes current maturities of \$5,195,000 in 1981 (\$4,795,000 in 1980) and other current amounts which are included in accounts receivable.

(ii) The subordinated demand note from parent company, Norcen Energy Resources Limited, bears interest at 7.6% per annum and is subject to minimum annual repayments of \$4,148,000 commencing in 1988.

4. Properties, plant and equipment

	1981			1980
	Cost	Accumulated depreciation	Net	Net
Gas storage	\$ 17,996	\$ 4,052	\$ 13,944	\$ 14,279
Gas distribution	302,411	56,447	245,964	220,424
Rental equipment	30,441	14,504	15,937	14,491
General and other plant	29,006	8,473	20,533	18,258
	<u>\$379,854</u>	<u>\$ 83,476</u>	<u>\$296,378</u>	<u>\$267,452</u>

5. Demand Bank Credits

	1981	1980
Bank loans—unsecured	<u>\$ 5,470</u>	<u>\$ 9,428</u>

While demand bank credits are by their terms due within one year and therefore classified as current liabilities, the Company has in the past retired and anticipates in the future retiring such obligations through the issue of long-term capital.

6. Long-term debt

	Due within one year	1981	1980
5¾%—11¾% first mortgage bonds, 1981—1998	\$10,784	\$136,501	\$147,913
9¾% senior debentures, 1991		37,820	39,746
6% subordinated notes, 1987	464	2,457	2,929
5¾%—11¼% debentures, 1982—1991	6,141	28,110	30,310
12%—13% exchangeable subordinated debentures, 1988—2000 (note 2)		81,016	26,000
Non-interest bearing note, 1982	454	454	454
	<u>\$17,843</u>	<u>286,358</u>	<u>247,352</u>
Deduct			
Long-term debt held for sinking fund purposes		26	113
Current maturities on long-term debt		17,843	10,438
		<u>17,869</u>	<u>10,551</u>
		<u>\$268,489</u>	<u>\$236,801</u>

Securities issued in U.S. funds maturing between 1987 and 1993 are included above at their Canadian dollar equivalent (\$70,182,000 in 1981 and \$75,149,000 in 1980) at respective dates of issue except for current maturities which are translated at year-end rates. Repayment of such issues in their entirety at rates of exchange prevailing at year-end would result in additional obligations of \$10,299,000 at December 31, 1981 (\$11,299,000 at December 31, 1980).

Long-term debt maturities and sinking fund requirements for each of the four years subsequent to 1982 are as follows:

1983	\$13,255,000	1985	\$13,798,000
1984	\$17,010,000	1986	\$14,663,000

Of the long-term debt \$80,944,000 represents amounts owing to the Company by GMi as a result of financings arranged in prior years by the Company for GMi (note 3).

7. Capital Stock

Authorized

530,181	First preference shares \$50 each par value, issuable in series
3,851,900	Second preference shares \$25 each par value, issuable in series
880,709	Third preference shares \$25 each par value, issuable in series
2,500,000	Junior preference shares \$25 each par value, issuable in series
34,622,139	Common shares without par value

First preference shares, first and second series, (currently redeemable at the Company's option at \$51.00 and \$50.50 per share respectively) do not presently have voting rights.

Second preference shares, series A, (redeemable commencing after December 15, 1982 at an initial price of \$26.00 per share, declining annually to \$25.00 per share after December 15, 1987) do not presently have voting rights.

Third preference shares, series A, series B and series C, (redeemable at the Company's option at \$27.50 per share, \$26.50 per share and \$25.00 per share respectively) have voting rights.

The following shares were redeemed during the year:

6,340	First preference shares, first series
800	First preference shares, second series
56,000	Second preference shares
160	Third preference shares, series A
47,529	Third preference shares, series B
46,000	Third preference shares, series C

8. Dividend restrictions

The indentures and agreements relating to the Company's long-term debt obligations contain various covenants limiting the payment of dividends.

9. Regulation

Rates and revenues are established following public hearings before the respective provincial and federal regulatory authorities. From time to time the authorities grant the companies provisional rate increases which may be subject to refund to customers depending upon the decision of the authorities following a full public hearing. The Company believes no refunds will be required.

10. Other information

Remuneration of directors and senior officers paid by the Company was \$736,661 (\$675,414 in 1980).

11. Comparative figures

Certain 1980 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1981.

Financial and Operating Summary—1977-1981

Consolidated Results

Financial Statistics (\$000's)	<u>1981</u> Metric	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
Sales and other revenues						
Gas sales		\$562,893	\$463,829	\$409,418	\$364,381	\$298,301
Other revenues		28,459	23,397	22,869	22,095	21,094
		<u>591,352</u>	<u>487,226</u>	<u>432,287</u>	<u>386,476</u>	<u>319,395</u>
Costs and expenses						
Gas purchases		483,904	392,253	340,096	304,521	246,963
Operations and maintenance		45,490	39,477	34,255	30,012	27,753
Depreciation		9,633	8,354	7,838	7,562	7,567
Interest		31,289	25,337	24,783	24,189	24,346
Income taxes		6,740	6,882	10,631	7,688	2,795
		<u>577,056</u>	<u>472,303</u>	<u>417,603</u>	<u>373,972</u>	<u>309,424</u>
Income from operations		<u>\$ 14,296</u>	<u>\$ 14,923</u>	<u>\$ 14,684</u>	<u>\$ 12,504</u>	<u>\$ 9,971</u>
Operating Statistics						
Gas sales (\$000's)						
Residential		\$123,440	\$106,260	\$ 93,623	\$ 84,596	\$ 68,281
Commercial		116,421	98,561	83,216	73,630	52,223
Industrial—firm		192,464	154,240	132,137	127,213	112,410
—interruptible		130,568	104,768	100,442	78,942	65,387
		<u>\$562,893</u>	<u>\$463,829</u>	<u>\$409,418</u>	<u>\$364,381</u>	<u>\$298,301</u>
Volumes (MMcf/10 ⁶ m ³)						
Residential	885	31,249	33,004	34,440	33,648	31,726
Commercial	913	32,244	33,768	33,793	32,770	27,845
Industrial—firm	1,722	60,773	60,668	59,637	64,086	67,185
—interruptible	1,273	44,938	45,474	51,344	43,027	42,491
	<u>4,793</u>	<u>169,204</u>	<u>172,914</u>	<u>179,214</u>	<u>173,531</u>	<u>169,247</u>
Customers at year-end						
Residential		252,192	239,619	230,697	223,828	220,070
Commercial		26,746	25,510	23,876	22,643	21,735
Industrial		567	575	588	564	623
		<u>279,505</u>	<u>265,704</u>	<u>255,161</u>	<u>247,035</u>	<u>242,428</u>
Capital expenditures (\$000's)		\$ 39,615	\$ 33,988	\$ 18,687	\$ 14,029	\$ 11,362
Miles/kilometres of pipe at end of period .	6,859	4,262	4,134	3,978	3,872	3,849

Financial and Operating Summary—1977-1981

Northern and Central Gas

Financial Statistics (\$000's)	<u>1981</u> Metric	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977⁽¹⁾</u>
Sales and other revenues						
Gas sales		\$402,384	\$325,656	\$283,886	\$254,131	\$211,533
Other revenues		23,594	18,834	18,660	18,799	17,869
		<u>425,978</u>	<u>344,490</u>	<u>302,546</u>	<u>272,930</u>	<u>229,402</u>
Costs and expenses						
Gas purchases		357,011	284,866	246,531	221,025	183,000
Operations and maintenance		24,039	20,783	18,123	16,288	15,271
Depreciation		5,990	4,904	4,657	4,488	4,471
Interest		25,492	20,472	20,528	19,945	20,375
Income taxes		3,116	3,486	4,895	3,524	56
		<u>415,648</u>	<u>334,511</u>	<u>294,734</u>	<u>265,270</u>	<u>223,173</u>
Income from operations		<u>\$ 10,330</u>	<u>\$ 9,979</u>	<u>\$ 7,812</u>	<u>\$ 7,660</u>	<u>\$ 6,229</u>
Operating Statistics						
Gas sales (\$000's)						
Residential		\$ 58,211	\$ 48,282	\$ 39,532	\$ 36,891	\$ 29,728
Commercial		63,907	52,072	42,032	37,868	24,072
Industrial—firm		189,015	151,198	129,216	124,467	110,119
—interruptible		91,251	74,104	73,106	54,905	47,614
		<u>\$402,384</u>	<u>\$325,656</u>	<u>\$283,886</u>	<u>\$254,131</u>	<u>\$211,533</u>
Volumes (MMcf/10⁶m³)						
Residential	386	13,625	14,034	13,216	13,531	12,979
Commercial	488	17,239	17,556	16,479	16,500	12,849
Industrial—firm	1,694	59,772	59,584	58,380	62,806	65,926
—interruptible	895	31,608	32,423	37,343	29,671	29,976
	<u>3,463</u>	<u>122,244</u>	<u>123,597</u>	<u>125,418</u>	<u>122,508</u>	<u>121,730</u>
Customers at year-end						
Residential		109,391	102,518	96,571	94,033	94,931
Commercial		13,929	13,039	12,103	11,556	11,102
Industrial		338	340	349	323	381
		<u>123,658</u>	<u>115,897</u>	<u>109,023</u>	<u>105,912</u>	<u>106,414</u>
Capital expenditures (\$000's)		\$ 31,948	\$ 24,732	\$ 10,275	\$ 7,516	\$ 5,727
Miles/kilometres of pipe at end of period .	4,220	2,622	2,506	2,373	2,340	2,352

(1) Includes Gaz du Québec, Inc.

Financial and Operating Summary—1977-1981

Greater Winnipeg Gas

Financial Statistics (\$000's)	<u>1981</u> Metric	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
Sales and other revenues						
Gas sales		\$160,509	\$138,173	\$125,532	\$110,250	\$ 86,768
Other revenues		<u>4,865</u>	<u>4,563</u>	<u>4,209</u>	<u>3,296</u>	<u>3,225</u>
		<u>165,374</u>	<u>142,736</u>	<u>129,741</u>	<u>113,546</u>	<u>89,993</u>
Costs and expenses						
Gas purchases		126,893	107,387	93,565	83,496	63,963
Operations and maintenance		21,451	18,694	16,132	13,724	12,482
Depreciation		3,643	3,450	3,181	3,074	3,096
Interest		5,797	4,865	4,255	4,244	3,971
Income taxes		<u>3,624</u>	<u>3,396</u>	<u>5,736</u>	<u>4,164</u>	<u>2,739</u>
		<u>161,408</u>	<u>137,792</u>	<u>122,869</u>	<u>108,702</u>	<u>86,251</u>
Income from operations		<u>\$ 3,966</u>	<u>\$ 4,944</u>	<u>\$ 6,872</u>	<u>\$ 4,844</u>	<u>\$ 3,742</u>
Operating Statistics						
Gas sales (\$000's)						
Residential		\$ 65,229	\$ 57,978	\$ 54,091	\$ 47,705	\$ 38,553
Commercial		52,514	46,489	41,184	35,762	28,151
Industrial—firm		3,449	3,042	2,921	2,746	2,291
—interruptible		<u>39,317</u>	<u>30,664</u>	<u>27,336</u>	<u>24,037</u>	<u>17,773</u>
		<u>\$160,509</u>	<u>\$138,173</u>	<u>\$125,532</u>	<u>\$110,250</u>	<u>\$ 86,768</u>
Volumes (MMcf/10 ⁶ m ³)						
Residential	499	17,624	18,970	21,224	20,117	18,747
Commercial	425	15,005	16,212	17,314	16,270	14,996
Industrial—firm	28	1,001	1,084	1,257	1,280	1,259
—interruptible	<u>378</u>	<u>13,330</u>	<u>13,051</u>	<u>14,001</u>	<u>13,356</u>	<u>12,515</u>
	<u>1,330</u>	<u>46,960</u>	<u>49,317</u>	<u>53,796</u>	<u>51,023</u>	<u>47,517</u>
Customers at year-end						
Residential		142,801	137,101	134,126	129,795	125,139
Commercial		12,817	12,471	11,773	11,087	10,633
Industrial		<u>229</u>	<u>235</u>	<u>239</u>	<u>241</u>	<u>242</u>
		<u>155,847</u>	<u>149,807</u>	<u>146,138</u>	<u>141,123</u>	<u>136,014</u>
Capital expenditures (\$000's)		\$ 7,667	\$ 9,256	\$ 8,412	\$ 6,513	\$ 5,635
Miles/kilometres of pipe at end of period .	2,639	1,640	1,628	1,605	1,532	1,497

Directors and Officers

Officers

Jean J. Leroux	<i>Chairman of the Board</i>
D. Stewart McIntosh	<i>President</i>
Austin P. Rathke	<i>Senior Vice-President, Manitoba</i>
Harold E. Andrews	<i>Vice-President, Finance and Regulatory Affairs</i>
Leslie L. Hartford	<i>Vice-President, Operations</i>
Robert T. Rhodes	<i>Vice-President, Gas Supply and Planning</i>
Olga Boychuk	<i>Secretary</i>
Ronald W. Wasenda	<i>Treasurer</i>
William T. Kilbourne	<i>Assistant Secretary</i>
Peter F. Scully	<i>Assistant Secretary</i>
Alick S. G. Duguid	<i>Assistant Treasurer</i>

Board of Directors

Harold E. Andrews	<i>Toronto</i>
Donald D. Barkwell	<i>Calgary</i>
*Edward G. Battle	<i>Toronto</i>
Edmund C. Bovey	<i>Toronto</i>
Michael H. Cochrane	<i>Toronto</i>
**Preston R. Cook	<i>Thunder Bay</i>
*Frederick A. M. Huycke, Q. C.	<i>Toronto</i>
**J. Conrad Lavigne	<i>Timmins</i>
*Jean J. Leroux	<i>Toronto</i>
Marcel Masse	<i>Outremont</i>
**D. Stewart McIntosh	<i>Toronto</i>
Austin P. Rathke	<i>Winnipeg</i>
Richard Rohmer	<i>Toronto</i>

*Executive Committee

**Audit Committee

Head Office

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Manitoba

Greater Winnipeg Gas Company
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