

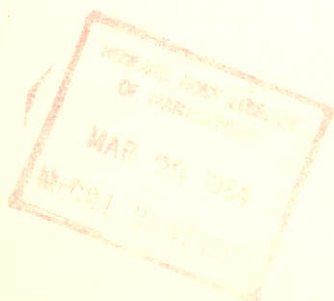
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Northern and Central Gas Corporation Limited

Annual Report

1983



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>1983</u>	<u>1982</u>
Sales and other revenues Northern and Central Gas	\$510,793	\$461,779
Greater Winnipeg Gas	<u>219,094</u>	<u>213,816</u>
	<u>\$729,887</u>	<u>\$675,595</u>
Income contribution Northern and Central Gas	\$ 12,738	\$ 9,641
Greater Winnipeg Gas	<u>6,251</u>	<u>8,636</u>
	18,989	18,277
Dividends from Gaz Métropolitain, inc.	<u>7,409</u>	<u>6,858</u>
	<u>\$ 26,398</u>	<u>\$ 25,135</u>
Operating		
Customers at year-end	297,412	287,436
Expenditures on property, plant and equipment, net (\$000's)	\$ 46,550	\$ 32,714
Property, plant and equipment (\$000's).	\$348,712	\$316,418



Report to Shareholders

Revenues and Earnings

Net income in 1983 increased to \$26.4 million from \$25.1 million in 1982 as a result of higher contributions from the Ontario operations and Gaz Métropolitain, inc. which were only partially offset by a lower contribution from the Manitoba operations.

Dividend income from Gaz Métropolitain, inc. was higher than 1982 due to an increase in the dividend rate on common shares.

Sales and other revenues increased to \$729.9 million in 1983 from \$675.6 million because of increased rates to recover higher gas costs, operating costs, and financing costs. Gas sales volumes decreased to 4,260 10⁶m³ in 1983 from 4,399 10⁶m³. The number of customers rose to 297,412 at the end of 1983 compared with 287,436 at the end of the previous year.

Ontario Operations

Income from operations improved to \$12.7 million from \$9.6 million in 1982 as a result of revenue deficiency rate increases which in 1983 were granted on a prospective test year basis.

Industrial sales volumes showed a marginal decline from 1982. Residential and commercial sales volumes remained virtually unchanged from 1982 as a result of increased customers being offset by 4% warmer weather than last year. The number of customers increased to 135,799 from 129,195 at the end of 1982.

In 1983, the federal government provided additional grants under the Distribution System Expansion Program to allow gas utilities to undertake larger projects into mainly new communities which would not be feasible otherwise. The Company applied for, and was successful in obtaining, grants amounting to \$8.8 million so that its more stable residential and commercial customer base could be expanded.

An aggressive marketing campaign, aimed primarily at new residential and commercial customers, was initiated in 1983. As part of the sales plan, the Company is offering an attractive residential furnace replacement rental program which provides free rental for one year.

Capital expenditures, after deducting grants and other contributions, increased to \$37.0 million from \$24.8 million in 1982 as a result of expansion into previously unserved areas and implementation of the new rental furnace program. In 1984, capital expenditures are expected to be \$35 million.

Manitoba Operations

Contribution to income declined to \$6.3 million from \$8.6 million in 1982 due primarily to warmer weather than last year. Gas sales volumes to residential and commercial customers declined by 100 10⁶m³ to 974 10⁶m³ as a result of 10% warmer weather than in 1982. Industrial gas sales volumes declined to 284 10⁶m³ from 298 10⁶m³ in 1982. Canada Oil Substitution Program grants to homeowners converting from oil to natural gas continued to contribute to new customer attachments in 1983. The number of customers at December 31, 1983 increased to 161,613 from 158,241 at the end of 1982.

Greater Winnipeg Gas held a reception and flame lighting ceremony on December 21st, at the Fort Garry Hotel, to commemorate its 100th anniversary of gas service to the city of Winnipeg. The event was attended by Manitoba's Lieutenant-Governor, the provincial Minister of Energy, and many of the mayors, reeves and counsellors from the Company's franchise area around Winnipeg.

In 1983, capital expenditures were \$9.5 million compared with \$7.9 million in 1982, and are expected to be \$12.0 million in 1984.

Regulation

On December 30, 1983, the Ontario Energy Board (O.E.B.) granted the Ontario utility a rate increase effective January 1, 1984 of \$7.8 million annually, based on a 1984 test year. This is the first time that the Company has been allowed rates based on a future test year to be in effect for the full fiscal year. The O.E.B. allowed a 12.98 percent rate of return on a rate base of \$273.7 million, which included a 15.75 percent rate of return on common equity.

In its 1983 test year rate case, the Ontario utility was allowed rate increases by the O.E.B. of \$10.0 million annually from February 11, 1983 on an interim basis and \$3.6 million annually from March 8, 1983 with the final decision. A rate of return of 12.65 percent on a rate base of \$238.0 million was granted, which included a 16.00 percent rate of return on common equity. On the recommendation of the Ontario Inflation Restraint Board, the government of Ontario subsequently reduced the allowed rate of return on common equity to 15.85 percent, which resulted in an overall rate of return on rate base of 12.59 percent and reduced the rate increase effective March 8, 1983 to \$3.3 million annually.



In June 1983, Greater Winnipeg Gas was granted an increase in rates effective July 1, 1983 which allowed the Company to recover a revenue deficiency based on a 1982 test year. The Public Utilities Board of Manitoba granted a 12.64 percent return on a rate base of \$101.6 million, which included a 14.25 percent rate of return on common equity.

In both Ontario and Manitoba, a gas cost increase of approximately two dollars per thousand cubic metres on February 1, 1983, and a gas cost decrease of approximately one dollar per thousand cubic metres on August 1, 1983, were approved by regulatory authorities.

Financing

Northern and Central Gas issued \$30.0 million 13½% Senior Debentures due November 14, 2003 and \$20.0 million 13½% Senior Debentures due November 14, 2008. Net proceeds were used to finance the capital expenditure program in Ontario and Manitoba.

Outlook

The improvement in the Company's operating results in 1983 is largely attributable to favourable regulatory decisions in Ontario which aimed to reduce regulatory lag. With the most

recent O.E.B. decision, Northern and Central Gas will have rates set on a future test year in effect for all of 1984 which, under normal operating conditions, will result in a further improvement in earnings for 1984.

In Manitoba, earnings were hampered in 1983 by 7% warmer than normal weather. A return to more normal weather in 1984 will significantly improve the contribution to income by the Manitoba operations.

The Directors and I congratulate the employees of the Company for their dedicated efforts over the past year and have confidence in their ability to meet the challenges of 1984.

On behalf of the Board,

Jean J. Leroux,

Chairman of the Board and President.

March 9, 1984.

Summary of Accounting Policies

Year ended December 31, 1983

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 are classified as one business segment for financial reporting purposes.

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 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	<p>The consolidated financial statements include the accounts of the Company and all of its subsidiaries.</p> <p>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.</p>
Foreign currency translation	<p>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.</p>
Inventories	<p>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.</p>
Properties, plant and equipment	<p>Properties, plant and equipment are carried at cost which includes direct costs, overhead attributable to construction and interest on funds used during construction.</p> <p>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 3.27% (3.19% in 1982).</p>
Deferred charges	<p>Costs of issuing long-term debt are deferred in the year incurred and amortized against income over the term of the applicable issue.</p> <p>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.</p>
Income taxes	<p>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 \$6,100,000 in 1983, (\$5,300,000 in 1982), and \$64,900,000 in total to December 31, 1983.</p>

Consolidated Statement of Income

Year ended December 31, 1983

(thousands of dollars)

	<u>1983</u>	<u>1982</u>
Sales and other revenues		
Gas sales	\$698,154	\$645,983
Interest income		
Gaz Métropolitain, inc.	7,777	8,324
Demand note from parent company (note 2)	3,595	3,595
Other revenues	<u>20,361</u>	<u>17,693</u>
	<u>729,887</u>	<u>675,595</u>
 Costs and expenses		
Gas purchases	595,923	554,747
Operations and maintenance	58,151	53,563
Depreciation	12,525	11,383
Interest		
Long-term debt	33,043	30,024
Advances from parent company	228	62
Other	751	1,277
Income taxes	<u>10,277</u>	<u>7,712</u>
	<u>710,898</u>	<u>658,768</u>
 Income from operations before undernoted item	18,989	16,827
Settlement on contract termination (net of income taxes of \$1,559,000) (note 8)		<u>1,450</u>
 Income from operations	18,989	18,277
Dividend income from Gaz Métropolitain, inc.	<u>7,409</u>	<u>6,858</u>
 Net income	<u>\$ 26,398</u>	<u>\$ 25,135</u>
 Dividends on preference shares	<u>\$ 3,449</u>	<u>\$ 3,671</u>
 Income applicable to common shares	<u>\$ 22,949</u>	<u>\$ 21,464</u>
 Earnings per common share	\$ 1.28	\$ 1.20



Consolidated Balance Sheet

as at December 31, 1983
(thousands of dollars)

Assets

	1983	1982
Current Assets		
Cash and deposits	\$ 5,919	\$ 3,992
Accounts receivable and unbilled gas	108,240	90,467
Inventory of gas in storage and supplies	22,880	24,643
Total current assets	137,039	119,102
Investments (note 2)	212,882	218,434
Properties, plant and equipment (note 3)	348,712	316,418
Other assets	13,323	13,939
	<u>\$711,956</u>	<u>\$667,893</u>



Liabilities

Current Liabilities		
Bank indebtedness	\$ 6,028	\$ 5,122
Accounts payable and accrued charges	100,115	83,288
Income and other taxes	7,374	10,491
Current maturities on long-term debt	11,712	9,166
Current liabilities, excluding demand bank credits and advances from parent company	125,229	108,067
Demand bank credits (note 4)	1,775	4,925
Advances from parent company	1,737	6,480
Total current liabilities	128,741	119,472
Long-term debt (note 5)	316,479	284,632
Total liabilities	<u>445,220</u>	<u>404,104</u>

Shareholders' Equity

Capital Stock (note 6)			
Issued			
First preference shares			
95,805 \$2.60 cumulative, first series (100,480 in 1982)		4,790	5,024
26,793 \$2.70 cumulative, second series (28,093 in 1982)		1,339	1,405
Second preference shares			
1,139,900 7.85% cumulative, series A, issue price \$25 (1,195,900 in 1982)		28,497	29,897
Third preference shares			
910 \$1.06 cumulative, series A (1,435 in 1982)		23	36
68,188 \$1.50 cumulative, series B (82,224 in 1982)		1,705	2,055
322,000 \$1.94 cumulative, series C (368,000 in 1982)		8,050	9,200
17,860,630 Common shares		142,583	142,583
Retained earnings (note 7)		79,749	73,589
Total shareholders' equity		<u>266,736</u>	<u>263,789</u>
		<u>\$711,956</u>	<u>\$667,893</u>

Approved by the Board

 Director
 Director



Consolidated Statement of Changes in Financial Position

Year ended December 31, 1983

(thousands of dollars)

	<u>1983</u>	<u>1982</u>
Source of funds		
From operations	\$ 41,265	\$ 38,274
Issue of long-term debt	50,000	30,000
Advances from parent company		6,480
Investments	5,414	5,650
	<u>96,679</u>	<u>80,404</u>
Application of funds		
Expenditures on properties, plant and equipment, net	46,550	32,714
Reduction in advances from parent company	4,743	
Reduction in demand bank credits	3,150	545
Retirement of long-term debt	18,153	13,857
Dividends	20,238	16,173
Redemption of preference shares	2,826	2,440
Other	244	765
	<u>95,904</u>	<u>66,494</u>
Increase in funds position	775	13,910
Funds position at beginning of year	11,035	(2,875)
Funds position at end of year	<u>\$ 11,810</u>	<u>\$ 11,035</u>
Summary of funds position		
Current assets	\$137,039	\$119,102
Current liabilities, excluding demand bank credits and advances from parent company (note 4)	125,229	108,067
	<u>\$ 11,810</u>	<u>\$ 11,035</u>

Consolidated Statement of Retained Earnings

Year ended December 31, 1983
(thousands of dollars)

	1983	1982
Balance at beginning of year	\$73,589	\$64,627
Net income	<u>26,398</u>	<u>25,135</u>
	99,987	89,762
Dividends		
First preference shares		
–first series	256	262
–second series	73	77
Second preference shares		
–series A	2,289	2,383
Third preference shares		
–series A	1	2
–series B	116	144
–series C	714	803
Common shares	<u>16,789</u>	<u>12,502</u>
	20,238	16,173
Balance at end of year	<u>\$79,749</u>	<u>\$73,589</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, 1983 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, 1983 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 1, 1984

Thomas Riddell
Chartered Accountants

Notes to Consolidated Financial Statements

Year ended December 31, 1983

(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. Investments

	<u>1983</u>	<u>1982</u>
Investment in Gaz Métropolitain, inc. (GMi)		
Common shares (i)	\$ 78,874	\$ 78,874
Preference shares	19,132	19,932
Debt (ii)	65,918	70,833
	<u>163,924</u>	<u>169,639</u>
Demand note from parent company (iii)	47,300	47,300
Mortgages receivable	1,658	1,196
Notes receivable		299
	<u>\$212,882</u>	<u>\$218,434</u>

(i) The Company has issued two series of exchangeable subordinated debentures, exchangeable into the Company's holding of 10,127,049 GMi common shares (34.8% interest at December 31, 1983). 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. Accordingly, the Company accounts for its investment in GMi by the cost method.

The first issue of \$26 million principal amount of 12% exchangeable subordinated debentures due in 2000 are exchangeable until July 1990 at the option of the holders into 3.25 million common shares of GMi.

The second issue of \$55,016,000 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 common shares of GMi subject to the exchange right.

- (ii) Excludes current maturities of \$5,427,000 in 1983 (\$5,401,000 in 1982) and other current amounts which are included in accounts receivable.
- (iii) 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.

3. Properties, plant and equipment

	<u>1983</u>			<u>1982</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net</u>	<u>Net</u>
Gas storage	\$ 19,856	\$ 5,441	\$ 14,415	\$ 13,535
Gas distribution	354,574	68,316	286,258	262,033
Rental equipment	40,532	17,784	22,748	15,914
General and other plant	37,960	12,669	25,291	24,936
	<u>\$452,922</u>	<u>\$104,210</u>	<u>\$348,712</u>	<u>\$316,418</u>

4. Demand Bank Credits

	<u>1983</u>	<u>1982</u>
Bank loans—unsecured	\$ 1,775	\$ 4,925

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.

5. Long-term debt

	Due within one year	<u>1983</u>	<u>1982</u>
5¼%–11¼% first mortgage bonds, 1983–1998	\$11,211	\$114,541	\$124,270
9%–14% senior debentures, 1991–2008		113,209	65,908
6% subordinated notes, 1987	484	1,641	2,055
6%–11¼% debentures, 1985–1991	17	17,817	20,592
12%–13% exchangeable subordinated debentures, 1988–2000 (note 2)		81,016	81,016
	<u>\$11,712</u>	<u>328,224</u>	<u>293,841</u>
Deduct			
Long-term debt held for sinking fund purposes		33	43
Current maturities on long-term debt		11,712	9,166
		<u>11,745</u>	<u>9,209</u>
		<u>\$316,479</u>	<u>\$284,632</u>

Securities issued in U.S. funds mature between 1987 and 1993 and are included above at their Canadian dollar equivalent (\$60,594,000 in 1983 and \$65,459,000 in 1982) 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 \$11,538,000 at December 31, 1983 (\$11,909,000 at December 31, 1982).

Long-term debt maturities and sinking fund requirements for each of the four years subsequent to 1984 are as follows:

1985	\$13,729,000	1987	\$15,969,000
1986	\$17,288,000	1988	\$79,999,000 (note 2(i))

Of the long-term debt \$71,345,000 represents amounts owing to the Company by GMi as a result of financings arranged in prior years by the Company for GMi (note 2).

6. Capital Stock

Authorized	
522,806	First preference shares issuable in series
3,739,900	Second preference shares issuable in series
391,098	Third preference shares issuable in series
2,500,000	Junior preference shares issuable in series
34,622,139	Common shares

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 at the Company's option after December 15, 1983 at a price of \$25.80 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:

4,675	First preference shares, first series
1,300	First preference shares, second series
56,000	Second preference shares
525	Third preference shares, series A
14,036	Third preference shares, series B
46,000	Third preference shares, series C

7. Dividend restrictions

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

8. Settlement on contract termination

During 1982 the Company and a customer negotiated a settlement of \$3,009,000 related to the early termination of a gas purchase contract by the customer.

Financial and Operating Summary—1979-1983

Consolidated Results

Financial Statistics (\$000's)	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
Sales and other revenues					
Gas sales	\$698,154	\$645,983	\$562,893	\$463,829	\$409,418
Other revenues	31,733	31,062 ⁽¹⁾	28,459	23,397	22,869
	<u>729,887</u>	<u>677,045</u>	<u>591,352</u>	<u>487,226</u>	<u>432,287</u>
Costs and expenses					
Gas purchases	595,923	554,747	483,904	392,253	340,096
Operations and maintenance	58,151	53,563	45,490	39,477	34,255
Depreciation	12,525	11,383	9,633	8,354	7,838
Interest	34,022	31,363	31,289	25,337	24,783
Income taxes	10,277	7,712	6,740	6,882	10,631
	<u>710,898</u>	<u>658,768</u>	<u>577,056</u>	<u>472,303</u>	<u>417,603</u>
Income from operations	<u>\$ 18,989</u>	<u>\$ 18,277</u>	<u>\$ 14,296</u>	<u>\$ 14,923</u>	<u>\$ 14,684</u>
Operating Statistics					
Gas sales (\$000's)					
Residential	\$183,942	\$167,264	\$123,440	\$106,260	\$ 93,623
Commercial	164,717	153,693	116,421	98,561	83,216
Industrial-firm	201,882	197,444	192,464	154,240	132,137
-interruptible	147,613	127,582	130,568	104,768	100,442
	<u>\$698,154</u>	<u>\$645,983</u>	<u>\$562,893</u>	<u>\$463,829</u>	<u>\$409,418</u>
Volumes (10 ⁶ m ³)					
Residential	951	994	885	935	976
Commercial	930	985	913	956	957
Industrial-firm	1,313	1,423	1,722	1,719	1,689
-interruptible	1,066	997	1,273	1,288	1,455
	<u>4,260</u>	<u>4,399</u>	<u>4,793</u>	<u>4,898</u>	<u>5,077</u>
Customers at year-end					
Residential	268,389	259,202	252,192	239,619	230,697
Commercial	28,479	27,686	26,746	25,510	23,876
Industrial	544	548	567	575	588
	<u>297,412</u>	<u>287,436</u>	<u>279,505</u>	<u>265,704</u>	<u>255,161</u>
Capital expenditures (\$000's)	\$ 46,550	\$ 32,714	\$ 39,615	\$ 33,988	\$ 18,687
Kilometres of pipe at end of period	7,612	7,039	6,859	6,653	6,402

⁽¹⁾ Includes settlement on contract termination of \$1,450,000.

Financial and Operating Summary–1979-1983

Northern and Central Gas

Financial Statistics (\$000's)	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
Sales and other revenues					
Gas sales	\$491,659	\$441,533	\$402,384	\$325,656	\$283,886
Other revenues	19,134	21,696 ⁽¹⁾	23,594	18,834	18,660
	<u>510,793</u>	<u>463,229</u>	<u>425,978</u>	<u>344,490</u>	<u>302,546</u>
Costs and expenses					
Gas purchases	429,117	393,339	357,011	284,866	246,531
Operations and maintenance	30,811	28,849	24,039	20,783	18,123
Depreciation	8,008	7,360	5,990	4,904	4,657
Interest	28,529	26,029	25,492	20,472	20,528
Income taxes	1,590	(1,989)	3,116	3,486	4,895
	<u>498,055</u>	<u>453,588</u>	<u>415,648</u>	<u>334,511</u>	<u>294,734</u>
Income from operations	<u>\$ 12,738</u>	<u>\$ 9,641</u>	<u>\$ 10,330</u>	<u>\$ 9,979</u>	<u>\$ 7,812</u>
Operating Statistics					
Gas sales (\$000's)					
Residential	\$ 89,695	\$ 75,270	\$ 58,211	\$ 48,282	\$ 39,532
Commercial	91,430	80,497	63,907	52,072	42,032
Industrial-firm	197,844	192,968	189,015	151,198	129,216
-interruptible	112,690	92,798	91,251	74,104	73,106
	<u>\$491,659</u>	<u>\$441,533</u>	<u>\$402,384</u>	<u>\$325,656</u>	<u>\$283,886</u>
Volumes (10 ⁶ m ³)					
Residential	421	410	386	398	375
Commercial	486	495	488	497	467
Industrial-firm	1,288	1,393	1,694	1,688	1,653
-interruptible	807	729	895	918	1,058
	<u>3,002</u>	<u>3,027</u>	<u>3,463</u>	<u>3,501</u>	<u>3,553</u>
Customers at year-end					
Residential	120,154	114,185	109,391	102,518	96,571
Commercial	15,310	14,685	13,929	13,039	12,103
Industrial	335	325	338	340	349
	<u>135,799</u>	<u>129,195</u>	<u>123,658</u>	<u>115,897</u>	<u>109,023</u>
Capital expenditures (\$000's)	\$ 37,004	\$ 24,796	\$ 31,948	\$ 24,732	\$ 10,275
Kilometres of pipe at end of period	4,884	4,379	4,220	4,033	3,819

⁽¹⁾ Includes settlement on contract termination of \$1,450,000.

Financial and Operating Summary–1979-1983

Greater Winnipeg Gas

Financial Statistics (\$000's)	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
Sales and other revenues					
Gas sales	\$206,495	\$204,450	\$160,509	\$138,173	\$125,532
Other revenues	12,599	9,366	4,865	4,563	4,209
	<u>219,094</u>	<u>213,816</u>	<u>165,374</u>	<u>142,736</u>	<u>129,741</u>
Costs and expenses					
Gas purchases	166,806	161,408	126,893	107,387	93,565
Operations and maintenance	27,340	24,714	21,451	18,694	16,132
Depreciation	4,517	4,023	3,643	3,450	3,181
Interest	5,493	5,334	5,797	4,865	4,255
Income taxes	8,687	9,701	3,624	3,396	5,736
	<u>212,843</u>	<u>205,180</u>	<u>161,408</u>	<u>137,792</u>	<u>122,869</u>
Income from operations	<u>\$ 6,251</u>	<u>\$ 8,636</u>	<u>\$ 3,966</u>	<u>\$ 4,944</u>	<u>\$ 6,872</u>
Operating Statistics					
Gas sales (\$000's)					
Residential	\$ 94,247	\$ 91,994	\$ 65,229	\$ 57,978	\$ 54,091
Commercial	73,287	73,196	52,514	46,489	41,184
Industrial-firm	4,038	4,476	3,449	3,042	2,921
-interruptible	34,923	34,784	39,317	30,664	27,336
	<u>\$206,495</u>	<u>\$204,450</u>	<u>\$160,509</u>	<u>\$138,173</u>	<u>\$125,532</u>
Volumes (10 ⁶ m ³)					
Residential	530	584	499	537	601
Commercial	444	490	425	459	490
Industrial-firm	25	30	28	31	36
-interruptible	259	268	378	370	397
	<u>1,258</u>	<u>1,372</u>	<u>1,330</u>	<u>1,397</u>	<u>1,524</u>
Customers at year-end					
Residential	148,235	145,017	142,801	137,101	134,126
Commercial	13,169	13,001	12,817	12,471	11,773
Industrial	209	223	229	235	239
	<u>161,613</u>	<u>158,241</u>	<u>155,847</u>	<u>149,807</u>	<u>146,138</u>
Capital expenditures (\$000's)	\$ 9,546	\$ 7,918	\$ 7,667	\$ 9,256	\$ 8,412
Kilometres of pipe at end of period	2,728	2,660	2,639	2,620	2,583



Directors and Officers

Officers

Jean J. Leroux	<i>Chairman of the Board and 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>
Peter F. Scully	<i>Secretary</i>
Ronald W. Wasenda	<i>Treasurer</i>
William T. Kilbourne	<i>Assistant Secretary</i>
Alick S. G. Duguid	<i>Assistant Treasurer</i>

Head Office

245 Yorkland Boulevard
North York, Ontario M2J 1R1

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Greater Winnipeg Gas Company
265 Notre Dame Avenue
Winnipeg R3B 1N9

Quebec

Le Gaz Provincial du Nord de Québec Ltée
401 Richard Street
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Board of Directors

Harold E. Andrews	<i>Toronto</i>
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**Michael H. Cochrane	<i>Toronto</i>
**Preston R. Cook	<i>Thunder Bay</i>
Leslie L. Hartford	<i>Toronto</i>
*Frederick A. M. Huycke, Q.C.	<i>Toronto</i>
**J. Conrad Lavigne, C.M.	<i>Timmins</i>
*Jean J. Leroux	<i>Toronto</i>
Marcel Masse	<i>Outremont</i>
Austin P. Rathke	<i>Winnipeg</i>
Richard Rohmer, Q.C.	<i>Toronto</i>

*Executive Committee

**Audit Committee

