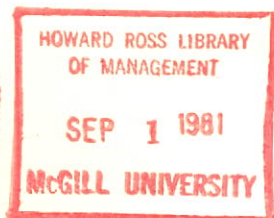


Northern and Central Gas Corporation Limited  
Annual Report

1979





## 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 70 communities in northwestern, northern and eastern Ontario. In Quebec, Gaz Métropolitain, inc. provides natural gas service in the greater Montreal area, and Le Gaz Provincial du Nord de Québec Ltée serves Rouyn and Noranda. 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

		<u>1979</u>	<u>1978</u>
<b>Financial (\$000's)</b>			
Sales and other revenues	Northern and Central Gas .....	\$291,436	\$262,346
	Gaz Métropolitain .....	254,713	227,288
	Greater Winnipeg Gas .....	129,741	113,546
		<u>\$675,890</u>	<u>\$603,180</u>
Income contribution	Northern and Central Gas .....	\$ 7,812	\$ 7,660
	Gaz Métropolitain .....	7,140	5,967
	Greater Winnipeg Gas .....	6,872	4,844
		<u>\$ 21,824</u>	<u>\$ 18,471</u>
<b>Operating</b>			
Gas sales (MMcf) .....		269,876	260,973
Expenditures on property, plant and equipment, net (\$000's) .....		\$ 43,707	\$ 30,024
Property, plant and equipment (\$000's) .....		\$467,389	\$439,599



## Report to Shareholders

### Revenues and Earnings

For Northern and Central Gas, 1979 was again a highly successful year with net income before extraordinary items increasing 18% to \$21.8 million from \$18.5 million in 1978 and improvement in all sectors of the Company's operations.

Total revenues increased to \$676 million from \$603 million reflecting the effect of the pass-on of increased gas costs together with increased volumetric sales to existing and newly acquired customers.

Gas volumes sold were 270 Bcf compared to 261 Bcf in 1978, mainly through higher sales to residential and commercial customers in Manitoba and increased sales to large industrial interruptible customers in Ontario and Quebec.

### Quebec Operations

Contribution to net income increased from \$6.0 million to \$7.1 million due to higher sales volumes and the benefit of rate increases received in 1978 and 1979. Warmer weather and increasing conservation measures taken by customers led to a decline in firm sales to residential and commercial customers, but the increased pricing competitiveness of natural gas against heavy oil supplies enabled the Company to substantially increase its interruptible sales in the large industrial market.

Throughout 1979, Gaz Métropolitain, inc. continued its studies for future expansion of its gas distribution system into those areas of Quebec not already served. A decision by the National Energy Board is expected soon on the application for extension of the transmission system east of Montreal by TransCanada PipeLines and Q & M Pipe Lines Ltd. Gaz Métropolitain has filed an application to secure the exclusive franchise distribution rights in areas of the province which have yet to be franchised and this hearing is currently in progress.

### Ontario Operations

Contribution to net income showed a marginal increase to \$7.8 million from \$7.7 million primarily due to rate increases granted late in 1978. The 1979 results were adversely affected by a significant reduction of firm gas sales to a large customer whose operations were shut down due to labour problems and to a large mining customer in Atikokan who ceased operations. The Company replaced most of these lost sales by making additional interruptible sales to existing industrial customers at a lower margin. In late 1979 the Company completed the main distribution system and installed a number of new services in the Town of Espanola. This project has already provided substantial cost savings to these new customers and has strongly enhanced the economic growth prospects of this town.

### Manitoba Operations

As a result of rate increases granted in 1978 and 1979, together with increased sales volumes of 2.8 Bcf primarily arising from 6% colder weather conditions, net income increased from \$4.8 million to \$6.9 million. Construction of the distribution system was completed in late 1979 for service to four new municipalities outside Winnipeg and the projected number of attachments for the first year for residential and commercial customers to these communities was substantially exceeded. Natural gas continues to be the most economical fuel available in the Winnipeg area and the Company has a high percentage of the heating market for all customer classes served.

### Regulation

The regulatory authorities in Quebec, Ontario and Manitoba approved applications for recovery of the higher gas costs which became effective on August 1, 1979 and each Company has submitted application for recovery of the February 1, 1980 cost of gas increase.

In July 1979 Gaz Métropolitain received a final decision on its main application granting a 10.9% allowed rate of return on rate base, including a 17.0% return on common equity based on the test year ended December 31, 1978.

Gaz Métropolitain has made a further interim application for additional revenues to cover increased financing and operating costs and this hearing will commence in March, 1980.

In June 1979 Greater Winnipeg Gas received a decision on its main application which granted a 10.89% overall allowed rate of return and a 14.1% allowed rate of return on common equity based on the test year ended December 31, 1978.

Following completion of the current rate design phase of its main application, Northern and Central Gas intends to file an application for increased rates to cover the higher costs of capital and operating expenses incurred since its last test year.

### Gas Supply

In the last several years there has been substantial improvement in Canada's gas supply position. Significant increases over 1976 established reserves were confirmed by the National Energy Board in two reports handed down in February and November, 1979. The Board has concluded that, in addition to allowing for a potential growth in demand for natural gas in both existing markets and expansion markets of Quebec and the Maritimes, sufficient gas availability exists beyond that required for Canadian domestic demand to permit additional exports to the U.S.A. for the next seven years.



### Capital Expenditures

Capital expenditures in 1979 for expansion and improvement of the distribution systems were \$43.7 million as compared to \$30.0 million in 1978. In 1980, expenditures are projected to be \$60.0 million.

### Financing

In July 1979 Gaz Métropolitain completed an issue of 2,000,000 common shares at \$5.75 per share principally to residents of Quebec with a further 2,000,000 shares being sold at the same price to Northern and Central Gas. Proceeds were used to reduce Gaz Métropolitain's short term debt obligation which had been primarily incurred to finance its capital expenditure program. This accomplished an objective of Northern and Central Gas to provide Gaz Métropolitain with a more balanced capital structure, and an objective of the provincial government of Quebec to provide a greater ownership by Quebec residents in Gaz Métropolitain.

### Outlook

As a result of increasing confidence by the Canadian public in the long term security of supply for natural gas as compared to oil supplies to energy consumers in the future, the gas distribution utilities are experiencing a major demand for conversion to natural gas from alter-

nate fuel heated homes. Providing all regulatory and other approvals are forthcoming, capital expenditures for expansion are forecast to increase substantially, particularly in Ontario and Quebec, and a positive outlook for development growth is anticipated.

On September 10, 1979 the Company lost the services of its principal founding member and current director with the death of C. Spencer Clark, Ph.D. Dr. Clark devoted over 25 years of his life to the growth and development of the Company, particularly in the challenging early days with the Ontario operations. He will be long remembered by his many friends and associates.

The Board of Directors join with me in acknowledging the significant efforts of all employees in responding to the new challenges imposed by the dynamic changes occurring in the industry and who are contributing to the ongoing success of the Company.

On behalf of the Board



JEAN J. LEROUX  
*Chairman of the Board*  
March 10, 1980

### 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>
Jacques Beauchamp	<i>Senior Vice-President, Quebec</i>
Harold E. Andrews	<i>Vice-President, Regulatory Affairs</i>
Leslie L. Hartford	<i>Vice-President, Operations</i>
Robert T. Rhodes	<i>Vice-President, Gas Supply and Planning</i>
Gordon B. Singer	<i>Vice-President, Finance</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

Donald D. Barkwell	<i>Calgary</i>
*Edward G. Battle	<i>Toronto</i>
Jacques Beauchamp	<i>Montreal</i>
Edmund C. Bovey	<i>Toronto</i>
**Preston R. Cook	<i>Thunder Bay</i>
*Frederick A. M. Huycke, Q.C.	<i>Toronto</i>
**George E. Knowles	<i>Kapuskasing</i>
*Jean J. Leroux	<i>Toronto</i>
**D. Stewart McIntosh	<i>Toronto</i>
Austin P. Rathke	<i>Winnipeg</i>
*Executive Committee	
**Audit Committee	

### Head Office

245 Yorkland Boulevard  
Willowdale, Ontario  
M2J 1R1

## Accounting Policies

Year ended December 31, 1979

The principal accounting policies followed by Northern and Central Gas Corporation Limited 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; all inter-company transactions have been eliminated. The principal subsidiaries involved and percentage ownership are as follows:

Gaz Métropolitain, inc. . . . .	73%
Greater Winnipeg Gas Company . . . . .	99%

The excess of acquisition costs over underlying value of net assets at date of purchase in respect of subsidiaries are shown as "Intangible assets arising from acquisitions". These assets 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.

### 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 2.95% (2.89% in 1978).

### 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, not in excess of 20 years.

### 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, before applicable minority interests, to \$6,500,000 in 1979, \$6,000,000 in 1978 and \$83,900,000 in total to December 31, 1979.

### Earnings per common share

Earnings per common share have been calculated using the weighted monthly average number of common shares outstanding during the year (17,112,000 in 1979; 16,825,000 in 1978).



## Consolidated Statement of Income

Year ended December 31, 1979

(thousands of dollars)

	<u>1979</u>	<u>1978</u>
<b>Sales and other revenues</b>		
Gas sales .....	\$660,233	\$587,774
Other revenues .....	12,062	11,811
Interest income on demand note from parent company (note 3) .....	3,595	3,595
	<u>675,890</u>	<u>603,180</u>
<b>Costs and expenses</b>		
Gas purchases .....	530,589	475,200
Operations and maintenance .....	66,701	57,512
Depreciation .....	15,346	14,357
Interest on long-term debt .....	26,286	27,440
Other financial expense .....	2,301	725
Income taxes .....	10,631	7,688
Minority interests in subsidiaries .....	2,212	1,787
	<u>654,066</u>	<u>584,709</u>
<b>Income before extraordinary items</b> .....	21,824	18,471
<b>Extraordinary items</b> (note 11) .....	(1,754)	579
<b>Consolidated net income</b> .....	<u>\$ 20,070</u>	<u>\$ 19,050</u>
<b>Dividends on preference shares</b> .....	<u>\$ 4,051</u>	<u>\$ 4,473</u>
<b>Income applicable to common shares</b>		
Before extraordinary items .....	<u>\$ 17,773</u>	<u>\$ 13,998</u>
Including extraordinary items .....	<u>\$ 16,019</u>	<u>\$ 14,577</u>
<b>Earnings per common share</b>		
Before extraordinary items .....	\$ 1.04	\$ .83
Including extraordinary items .....	\$ .94	\$ .87





## Consolidated Statement of Changes in Financial Position

Year ended December 31, 1979

(thousands of dollars)


	<u>1979</u>	<u>1978</u>
<b>Source of funds</b>		
From operations .....	\$ 43,626	\$ 37,788
Issue of common shares by a subsidiary .....	10,516	
Issue of preference shares .....	11,500	
Issue of long-term debt .....		20,000
Reduction in income tax from application of a subsidiary's prior years' losses .....	1,325	
Increase in advances from parent company .....	18,500	15,300
Recovery of gas distribution facilities abandonment costs .....		579
Other, net .....	1,186	52
	<u>86,653</u>	<u>73,719</u>
<b>Application of funds</b>		
Expenditures on properties, plant and equipment, net .....	43,707	30,024
Reduction in demand bank credits .....	2,575	7,625
Retirement of long-term debt .....	18,291	21,965
Dividends — common shares .....	10,308	4,044
— preference shares .....	4,051	4,473
— minority shareholders of subsidiaries .....	1,867	1,466
Redemption of preference shares .....	2,226	731
Deferred charges .....	1,126	1,528
	<u>84,151</u>	<u>71,856</u>
<b>Increase in funds</b> .....	2,502	1,863
<b>Funds at beginning of year</b> .....	<u>10,587</u>	<u>8,724</u>
<b>Funds at end of year</b> .....	<u>\$ 13,089</u>	<u>\$ 10,587</u>
<b>Summary of funds</b>		
Current assets .....	\$114,930	\$105,583
Current liabilities, less demand bank credits and advances from parent company (note 7) .....	101,841	94,996
	<u>\$ 13,089</u>	<u>\$ 10,587</u>

## Consolidated Balance Sheet

as at December 31, 1979  
(thousands of dollars)

<b>Assets</b>	<u>1979</u>	<u>1978</u>
<b>Current assets</b>		
Cash and deposits .....	\$ 6,201	\$ 4,355
Accounts receivable and unbilled gas .....	80,452	77,763
Inventories (note 2) .....	<u>28,277</u>	<u>23,465</u>
Total current assets .....	114,930	105,583
<b>Demand note from parent company</b> (note 3) .....	47,300	47,300
<b>Investments</b> (note 4) .....	3,590	4,779
<b>Properties, plant and equipment</b> (note 5) .....	467,389	439,599
<b>Deferred charges</b> (note 6) .....	25,846	28,488
<b>Intangible assets arising from acquisitions</b> , at cost less amounts written off .....	32,688	35,820
	<u>\$691,743</u>	<u>\$661,569</u>

Approved by the Board

 Director  
 Director

## Liabilities

	1979	1978
<b>Current liabilities</b>		
Accounts payable and accrued charges .....	\$ 84,177	\$ 77,500
Income and other taxes .....	2,339	4,928
Current maturities on long-term debt .....	15,325	12,568
	<u>101,841</u>	<u>94,996</u>
Demand bank credits (note 7) .....	9,125	11,700
Advances from parent company .....	38,500	20,000
Total current liabilities .....	149,466	126,696
<b>Long-term debt</b> (note 8) .....	257,774	276,065
Total liabilities .....	<u>407,240</u>	<u>402,761</u>
<b>Minority interests in subsidiaries</b> .....	32,849	22,005

## Shareholders' Equity

### Capital stock (note 9)

Authorized			
541,521	First preference shares \$50 each par value, issuable in series		
3,964,900	Second preference shares \$25 each par value, issuable in series		
988,290	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		
Issued			
	First preference shares		
110,920	\$2.60 cumulative, first series (113,121 in 1978) .....	5,546	5,656
30,393	\$2.70 cumulative, second series (32,141 in 1978) .....	1,520	1,607
	Second preference shares		
1,364,900	7.85% cumulative, series A (1,398,500 in 1978) .....	34,123	34,963
	Third preference shares		
2,058	\$1.06 cumulative, series A (2,783 in 1978) .....	51	70
163,007	\$1.50 cumulative, series B (200,977 in 1978) .....	4,075	5,024
460,000	\$1.94 cumulative, series C .....	11,500	
	Junior preference shares		
	\$1.50 cumulative convertible, first series (659,958 in 1978)		16,499
17,860,630	Common shares (16,849,224 in 1978) .....	142,583	126,401
<b>Retained earnings</b> (note 10) .....		52,256	46,583
Total shareholders' equity .....		<u>251,654</u>	<u>236,803</u>
		<u>\$691,743</u>	<u>\$661,569</u>



## Notes to Consolidated Financial Statements

Year ended December 31, 1979

(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.

<b>2. Inventories</b>	1979	1978
Gas in storage .....	\$22,609	\$19,763
Materials and supplies .....	5,668	3,702
	<u>\$28,277</u>	<u>\$23,465</u>

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

**3. Demand note from parent company** 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.

<b>4. Investments</b>	1979	1978
Land held for resale, at estimated net realizable value .....	\$ 2,496	\$ 2,303
Other investments, at cost		
Mortgages receivable .....	1,041	2,313
Other .....	53	163
	<u>1,094</u>	<u>2,476</u>
	<u>\$ 3,590</u>	<u>\$ 4,779</u>

<b>5. Properties, plant and equipment</b>	1979			1978
	Cost	Accumulated depreciation	Net	Net
Gas storage .....	\$ 30,956	\$ 5,696	\$ 25,260	\$ 25,691
Gas distribution .....	467,153	69,683	397,470	373,653
Rental equipment .....	38,881	18,340	20,541	21,409
General and other plant .....	32,755	8,637	24,118	18,846
	<u>\$569,745</u>	<u>\$102,356</u>	<u>\$467,389</u>	<u>\$439,599</u>

<b>6. Deferred charges</b>	Basis or period of amortization	Net book value December 31,	
		1979	1978
Long-term debt issue expense .....	(a)	\$ 5,198	\$ 5,949
Special gas costs .....	5-20 years	2,582	3,414
LaSalle coke plant .....			
— cost of plant .....	5 years	5,141	6,490
— deferred income taxes .....	(b)	8,572	8,572
Other .....		4,353	4,063
		<u>\$25,846</u>	<u>\$28,488</u>

(a) amortized over term of applicable issue

(b) to be recovered out of future revenues, as approved by regulatory authority

7. Demand bank credits	1979	1978
Commercial paper .....	\$ 5,000	\$ 5,000
Bank loans — unsecured .....	4,125	6,700
	<u>\$ 9,125</u>	<u>\$11,700</u>

While demand bank credits and advances from parent company 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.

8. Long-term debt	Due within one year	1979	1978
5½% -11¾% first mortgage bonds, 1979-1998 .....	\$13,766	\$175,195	\$184,851
6% general mortgage bonds, 1988-1989 .....	425	8,385	8,760
9⅝% senior debentures, 1991 .....		40,100	40,598
6% subordinated notes, 1987 .....	456	3,284	3,709
5½% -11¼% debentures, 1979-1991 .....	898	45,901	50,614
Non-interest bearing note, 1982 .....		454	454
	<u>\$15,545</u>	<u>273,319</u>	<u>288,986</u>
Deduct			
Long-term debt held for sinking fund purposes .....		220	353
Current maturities on long-term debt .....		15,325	12,568
		<u>15,545</u>	<u>12,921</u>
		<u>\$257,774</u>	<u>\$276,065</u>

Securities issued in U.S. funds maturing between 1980 and 1993 are included above at their Canadian dollar equivalent (\$84,460,000 in 1979 and \$89,153,000 in 1978) 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 \$10,480,000 at December 31, 1979 (\$12,898,000 at December 31, 1978).

Long-term debt maturities and sinking fund requirements for each of the four years subsequent to 1980 are as follows:

1981 .....	\$15,260,000	1983 .....	\$15,901,000
1982 .....	\$25,119,000	1984 .....	\$18,848,000

**9. Capital stock** First preference shares, first and second series, (currently redeemable at the Company's option at \$51.50 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.

460,000 Third preference shares, series C were authorized and issued during the year. 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:

2,201 First preference shares, first series
1,748 First preference shares, second series
33,600 Second preference shares
725 Third preference shares, series A
37,970 Third preference shares, series B
12,682 Junior preference shares

During the year 647,276 junior preference shares were converted into 1,011,406 common shares.

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

<b>11. Extraordinary items</b>	<u>1979</u>	<u>1978</u>
Reduction in income taxes from application of a subsidiary's prior years' losses .....	\$ 1,325	
Recovery of gas distribution facilities abandonment costs .....		\$579
Adjustment of carried value of investment in Gaz Métropolitain, inc. as a result of its issue of treasury shares .....	(3,079)	
	<u>\$(1,754)</u>	<u>\$579</u>

**12. 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.

**13. Other information** Unfunded liabilities for past service pension benefits amounted to approximately \$1,614,000 at December 31, 1979 and are being funded and expensed over a maximum period of 15 years.

Remuneration of directors and senior officers paid by the Company was \$467,000 (\$393,100 in 1978) and paid by subsidiaries was \$200,000 (\$162,540 in 1978).



## Financial and Operating Summary – 1975-1979

### Consolidated Results

<b>Financial Statistics (\$000's)</b>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Sales and other revenues					
Gas sales .....	\$660,233	\$587,774	\$470,922	\$404,642	\$284,201
Other revenues .....	<u>15,657</u>	<u>15,406</u>	<u>14,664</u>	<u>16,992</u>	<u>13,215</u>
	<u>675,890</u>	<u>603,180</u>	<u>485,586</u>	<u>421,634</u>	<u>297,416</u>
Costs and expenses					
Gas purchases .....	530,589	475,200	376,167	314,596	203,325
Operations and maintenance .....	66,701	57,512	51,991	47,281	40,840
Depreciation .....	15,346	14,357	13,626	12,980	11,978
Interest .....	28,587	28,165	28,598	28,088	27,127
Income taxes .....	10,631	7,688	2,795	832	1,095
Minority interests .....	<u>2,212</u>	<u>1,787</u>	<u>1,007</u>	<u>2,231</u>	<u>1,978</u>
	<u>654,066</u>	<u>584,709</u>	<u>474,184</u>	<u>406,008</u>	<u>286,343</u>
Income from continuing operations ....	<u>\$ 21,824</u>	<u>\$ 18,471</u>	<u>\$ 11,402</u>	<u>\$ 15,626</u>	<u>\$ 11,073</u>
<b>Operating Statistics</b>					
Gas sales (\$000's)					
Residential .....	\$150,068	\$139,824	\$113,948	\$106,399	\$ 80,821
Commercial .....	127,202	112,962	82,568	77,324	53,943
Industrial — firm .....	227,211	221,096	187,130	157,903	107,449
— interruptible .....	<u>155,752</u>	<u>113,892</u>	<u>87,276</u>	<u>63,016</u>	<u>41,988</u>
	<u>\$660,233</u>	<u>\$587,774</u>	<u>\$470,922</u>	<u>\$404,642</u>	<u>\$284,201</u>
Volumes (MMcf)					
Residential .....	49,590	50,121	47,642	50,941	48,092
Commercial .....	47,267	46,174	40,152	45,331	42,387
Industrial — firm .....	95,055	103,238	103,386	101,424	99,697
— interruptible .....	<u>77,964</u>	<u>61,440</u>	<u>56,107</u>	<u>48,127</u>	<u>43,353</u>
	<u>269,876</u>	<u>260,973</u>	<u>247,287</u>	<u>245,823</u>	<u>233,529</u>
Number of customers					
Residential .....	379,210	375,159	377,849	378,286	380,152
Commercial .....	34,789	33,286	32,465	31,039	30,636
Industrial .....	<u>1,988</u>	<u>1,960</u>	<u>2,054</u>	<u>2,049</u>	<u>2,091</u>
	<u>415,987</u>	<u>410,405</u>	<u>412,368</u>	<u>411,374</u>	<u>412,879</u>
Miles of pipe at end of period .....	5,658	5,534	5,494	5,409	5,345

## Financial and Operating Summary – 1975-1979

### Northern and Central Gas

<b>Financial Statistics (\$000's)</b>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Sales and other revenues					
Gas sales .....	\$283,886	\$254,131	\$211,314	\$180,372	\$117,701
Other revenues .....	7,550	8,215	7,865	10,000	6,462
	<u>291,436</u>	<u>262,346</u>	<u>219,179</u>	<u>190,372</u>	<u>124,163</u>
Costs and expenses					
Gas purchases .....	246,531	221,025	182,805	153,900	92,946
Operations and maintenance .....	18,123	16,288	14,961	13,428	12,571
Depreciation .....	4,657	4,488	4,416	4,456	3,870
Interest .....	9,418	9,361	10,359	11,066	11,903
Income taxes .....	4,895	3,524	56	40	10
	<u>283,624</u>	<u>254,686</u>	<u>212,597</u>	<u>182,890</u>	<u>121,300</u>
Income from continuing operations .....	<u>\$ 7,812</u>	<u>\$ 7,660</u>	<u>\$ 6,582</u>	<u>\$ 7,482</u>	<u>\$ 2,863</u>
<b>Operating Statistics</b>					
Gas sales (\$000's)					
Residential .....	\$ 39,532	\$ 36,891	\$ 29,573	\$ 28,674	\$ 21,709
Commercial .....	42,032	37,868	24,021	21,496	15,598
Industrial — firm .....	129,216	124,467	110,109	91,499	57,588
— interruptible .....	73,106	54,905	47,611	38,703	22,806
	<u>\$283,886</u>	<u>\$254,131</u>	<u>\$211,314</u>	<u>\$180,372</u>	<u>\$117,701</u>
Volumes (MMcf)					
Residential .....	13,216	13,531	12,943	14,329	13,140
Commercial .....	16,479	16,500	12,833	13,454	12,653
Industrial — firm .....	58,380	62,806	65,922	65,668	59,550
— interruptible .....	37,343	29,671	29,975	27,769	23,856
	<u>125,418</u>	<u>122,508</u>	<u>121,673</u>	<u>121,220</u>	<u>109,199</u>
Number of customers					
Residential .....	96,571	94,033	93,151	90,843	90,463
Commercial .....	12,103	11,556	11,036	10,255	10,109
Industrial .....	349	323	377	390	396
	<u>109,023</u>	<u>105,912</u>	<u>104,564</u>	<u>101,488</u>	<u>100,968</u>
Miles of pipe at end of period .....	2,373	2,340	2,301	2,288	2,266

## Financial and Operating Summary – 1975-1979

### Gaz Métropolitain, inc. (1)

<b>Financial Statistics (\$000's)</b>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Sales and other revenues					
Gas sales .....	\$250,815	\$223,393	\$172,840	\$151,511	\$112,627
Other revenues .....	3,898	3,895	3,574	4,000	3,887
	<u>254,713</u>	<u>227,288</u>	<u>176,414</u>	<u>155,511</u>	<u>116,514</u>
Costs and expenses					
Gas purchases .....	190,493	170,679	129,399	105,979	73,689
Operations and maintenance .....	32,461	27,511	24,557	22,288	18,213
Depreciation .....	7,508	6,795	6,114	5,485	5,351
Interest .....	14,914	14,560	14,268	12,959	11,769
Minority interests .....	2,197	1,776	998	2,227	1,971
	<u>247,573</u>	<u>221,321</u>	<u>175,336</u>	<u>148,938</u>	<u>110,993</u>
Income from continuing operations .....	<u>\$ 7,140</u>	<u>\$ 5,967</u>	<u>\$ 1,078</u>	<u>\$ 6,573</u>	<u>\$ 5,521</u>
<b>Operating Statistics</b>					
Gas sales (\$000's)					
Residential .....	\$ 56,445	\$ 55,228	\$ 45,822	\$ 44,599	\$ 32,939
Commercial .....	43,986	39,332	30,396	28,250	17,691
Industrial — firm .....	95,074	93,883	74,730	64,396	48,352
— interruptible .....	55,310	34,950	21,892	14,266	13,645
	<u>\$250,815</u>	<u>\$223,393</u>	<u>\$172,840</u>	<u>\$151,511</u>	<u>\$112,627</u>
Volumes (MMcf)					
Residential .....	15,150	16,473	15,952	17,656	15,843
Commercial .....	13,474	13,404	12,323	13,159	10,815
Industrial — firm .....	35,418	39,152	36,205	34,412	38,788
— interruptible .....	26,620	18,413	13,617	11,161	11,495
	<u>90,662</u>	<u>87,442</u>	<u>78,097</u>	<u>76,388</u>	<u>76,941</u>
Number of customers					
Residential .....	148,513	151,331	159,559	166,603	170,684
Commercial .....	10,913	10,643	10,796	10,685	10,413
Industrial .....	1,400	1,396	1,435	1,460	1,494
	<u>160,826</u>	<u>163,370</u>	<u>171,790</u>	<u>178,748</u>	<u>182,591</u>
Miles of pipe at end of period .....	1,680	1,662	1,696	1,665	1,665

(1) Figures in 1977 and prior include Gaz du Québec, Inc.



## Financial and Operating Summary – 1975-1979

### Greater Winnipeg Gas

<b>Financial Statistics (\$000's)</b>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Sales and other revenues					
Gas sales .....	\$125,532	\$110,250	\$ 86,768	\$ 72,759	\$ 53,873
Other revenues .....	4,209	3,296	3,225	2,992	2,866
	<u>129,741</u>	<u>113,546</u>	<u>89,993</u>	<u>75,751</u>	<u>56,739</u>
Costs and expenses					
Gas purchases .....	93,565	83,496	63,963	54,717	36,690
Operations and maintenance .....	16,117	13,713	12,473	11,565	10,056
Depreciation .....	3,181	3,074	3,096	3,039	2,757
Interest .....	4,255	4,244	3,971	4,063	3,455
Income taxes .....	5,736	4,164	2,739	792	1,085
Minority interests .....	15	11	9	4	7
	<u>122,869</u>	<u>108,702</u>	<u>86,251</u>	<u>74,180</u>	<u>54,050</u>
Income from continuing operations ...	<u>\$ 6,872</u>	<u>\$ 4,844</u>	<u>\$ 3,742</u>	<u>\$ 1,571</u>	<u>\$ 2,689</u>
 <b>Operating Statistics</b>					
Gas sales (\$000's)					
Residential .....	\$54,091	\$ 47,705	\$ 38,553	\$ 33,126	\$ 26,173
Commercial .....	41,184	35,762	28,151	27,578	20,654
Industrial — firm .....	2,921	2,746	2,291	2,008	1,509
— interruptible .....	27,336	24,037	17,773	10,047	5,537
	<u>\$125,532</u>	<u>\$110,250</u>	<u>\$ 86,768</u>	<u>\$ 72,759</u>	<u>\$ 53,873</u>
Volumes (MMcf)					
Residential .....	21,224	20,117	18,747	18,956	19,109
Commercial .....	17,314	16,270	14,996	18,718	18,919
Industrial — firm .....	1,257	1,280	1,259	1,344	1,359
— interruptible .....	14,001	13,356	12,515	9,197	8,002
	<u>53,796</u>	<u>51,023</u>	<u>47,517</u>	<u>48,215</u>	<u>47,389</u>
Number of customers					
Residential .....	134,126	129,795	125,139	120,840	119,005
Commercial .....	11,773	11,087	10,633	10,099	10,114
Industrial .....	239	241	242	199	201
	<u>146,138</u>	<u>141,123</u>	<u>136,014</u>	<u>131,138</u>	<u>129,320</u>
Miles of pipe at end of period .....	1,605	1,532	1,497	1,456	1,414



