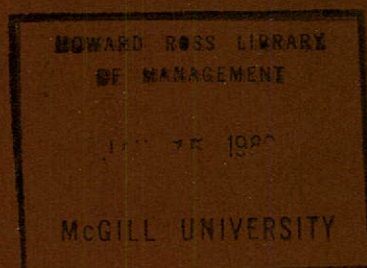


SASKATCHEWAN POWER CORPORATION

ANNUAL REPORT
1972





Regina, March, 1973

To His Honour,
The Honourable Doctor 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 the Saskatchewan Power Corporation for the year ended December 31, 1972, including the financial statements for the year duly certified by the Provincial Auditor of Utilities and in the form approved by the Treasury Board, all in accordance with The Power Corporation Act.

I have the honour to be, Sir,

Your obedient servant,

Kim Thorson

Minister in Charge of the
Saskatchewan Power Corporation.



board of directors

HON. J. R. MESSER, Vice Chairman, Regina,
Minister of Agriculture

MR. D. S. DOMBOWSKY, Regina,
Deputy Minister, Industry & Commerce

MRS. M. L. HEAVIN, Tisdale,
Homemaker

MR. F. M. HODGKINSON, Saskatoon,
Chairman, North-Sask. Electric Ltd.; Realtor

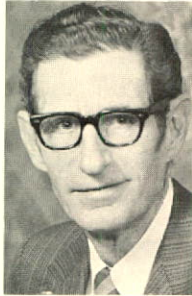
MRS. A. N. HYND, Regina,
Deputy Minister, Consumer Affairs

MR. A. J. KUECHLE, North Battleford,
Principal, Notre Dame School

MR. C. S. MITCHELL, Sturgis,
Vice-President, S.A.R.M.; Reeve, R.M. of Preeceville;
Farmer

MR. E. W. NORHEIM, Regina,
Labour Representative, Canadian Labour Congress

MR. L. H. STEVENSON, Muscow,
Director, North-Sask. Electric Ltd.;
Chairman, Advisory Committee on Indian Education;
Farmer



The Honourable Kim Thorson, Chairman,
and Members of the Board of Directors
of the Saskatchewan Power Corporation.

It is my pleasure to submit the Annual Report of the Saskatchewan Power Corporation and its wholly-owned subsidiaries for the fiscal period ending December 31, 1972.

The financial statements and the more comprehensive information contained in the body of the report to follow indicate an active and successful year of operation for the Corporation.

Revenue from energy sales was 4.8% higher than in 1971, resulting for the most part, from increased consumption by existing customers particularly in the Industrial rate category in the Electric System and from increased space heating demands in the Gas System due to colder than average weather experienced during the year.

It is noted with some concern that, despite increased sales volumes, expenses increased at rates equal to or higher than revenues. This trend is largely attributable to two factors; decreasing revenue per unit of energy sold as consumption per customer increases and the rising prices of coal and natural gas together with increasing costs of maintenance supplies and manpower services. As a result of these trends the 1972 net earnings of the Corporation have declined some six percent below those of the previous year to 20.0 million dollars.

Capital construction programs for the expansion of production and transmission facilities to meet the current and future demands for additional supplies of electric power and natural gas progressed satisfactorily and were on schedule at the year end.

A second power transmission line interconnection with Manitoba Hydro was commissioned in August doubling the capacity for power interchanges between the Manitoba and Saskatchewan power systems.

The Corporation's subsidiary, North-Sask Electric Ltd., made electric service available to the community of Deschambault during the year.

A survey of lignite coal deposits in southern Saskatchewan, which was commenced in 1971, was continued and confirmed the availability of substantial reserves of this fuel for power production purposes.

Studies of the undeveloped hydro-electric potential of the Fond du Lac, Churchill and Saskatchewan Rivers continued. Further studies of the environmental impact of these possible future developments were initiated in co-operation with other government agencies.

The Corporation continued its intervention before the National Energy Board in respect to an application by TransCanada PipeLines Ltd. in 1971 for increased rates and gas transportation charges.

A subsidiary company, Many Islands Pipe Lines (Canada) Ltd., was incorporated under Federal Charter to purchase and operate a gas transmission pipeline between the Provost gas field in Alberta, and Unity, Saskatchewan. This pipeline was purchased from TransCanada PipeLines Ltd.

Gas exploration and development expenditures totalling 1.7 million dollars during the year resulted in new reserves estimated at one hundred billion cubic feet being proven up by year end.

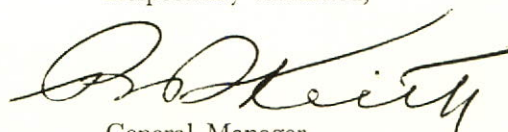
Natural gas service was extended to 23 new communities adding 1,490 new customers to the system.

The development of energy resources to meet the anticipated growth in demand for power and gas services in the face of rising costs and increased public concern on environmental matters is the most important challenge facing the Corporation in the future. While on one hand the Corporation is committed to the development of energy resources to meet the growing demands of its customers, it also stands committed to the orderly and economic development of these resources, and to minimizing the undesirable environmental impact of such activities.

I wish to thank all employees for their dedication to the affairs of the Corporation and for their contribution to a successful year.

I would also take this opportunity to express my appreciation for the direction and support provided to me by the Board of Directors during 1972.

Respectfully submitted,



General Manager.

highlights

	1972	1971	% Increase
Revenue from sales (\$ millions)	123.7	117.9	4.9
Net Income	20.0	21.3	(6.1)
Energy Sold			
—electricity (billions of kwh)	5.3	4.9	8.2
—gas (billions of cubic feet)	109.3	107.2	2.0
Customers			
—electric	277,500	274,400	1.1
—gas	157,420	150,660	4.5

electric system

operations

Sales of electrical energy to Saskatchewan customers reached 5.3 billion kilowatt-hours, an increase of 9.9% over 1971. Sales to residential customers increased by 9.2%, a substantially higher increase than in recent years. Commercial sales increased by 7.3% while industrial consumption was up 14.8%, the major part of which resulted from increased oil pipeline pumping. Farm sales increased by 4.4%, much below the 14% growth which occurred last year.

Revenue from total sales was up 4% to \$79.3 million. The average revenue per kilowatt-hour continued to fall as consumption by existing customers increased.

Expenses increased at about the same rate as kilowatt-hour sales but rose faster than corresponding revenues. Rising prices of fuel as well as higher costs of materials, supplies and manpower were major contributing factors. Higher than average river flows permitted a 15% increase in hydro-electric production and a corresponding reduction in the use of thermal stations.

Net income for the year was \$11.0 million, down 14% from 1971.

The net provincial peak load of 1.14 million kilowatts occurred December 5th, about three weeks earlier than usual, during a period of sustained cold weather. The peak load was 8% higher than in 1971.

A significant development in system operation was marked in June by the establishment of a Grid Management Centre. Located in the head office building in Regina, the Centre co-ordinates the operation of the provincial power generation and transmission grid for security and economy of operation. It also supervises area control centres at Saskatoon and Estevan, and co-ordinates the exchange of energy with Manitoba Hydro.

Equipment failures and operating difficulties were met without seriously impairing service to customers. One of the 150,000-kilowatt generating units at Boundary Dam was out of service for four months while major repairs were made to the turbine blading. A 66,000-kilowatt unit at the same station suffered a generator insulation failure and required extensive

repairs. A mobile substation was pressed into emergency service at Prince Albert following severe lightning damage to one of the city substations in August. The mobile unit was used until normal service was re-established in December.

Repair of the 100,000-kilowatt generating unit at the Queen Elizabeth Power Station at Saskatoon was completed and the unit was commissioned in November. The generator rotor was replaced following extensive damage during initial tests in 1971. The transformer associated with the unit was, in the meantime, loaned to The New Brunswick Electric Power Commission for emergency use when they experienced a serious failure of a similar transformer.

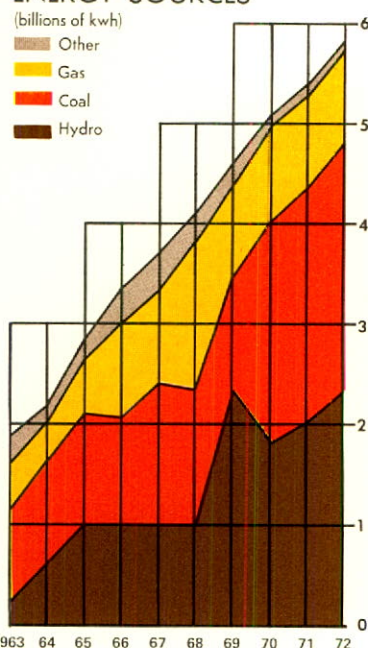
A one year purchase from Manitoba Hydro of 100,000 kilowatts of firm capacity commenced November 1, 1972 and will terminate October 31, 1973.

The Moose Jaw Power Station, on stand-by since 1968, was sold for dismantling. Originally built in 1913 and expanded several times, the plant was purchased by the Corporation in 1960 and was operated on a regular basis until 1963.

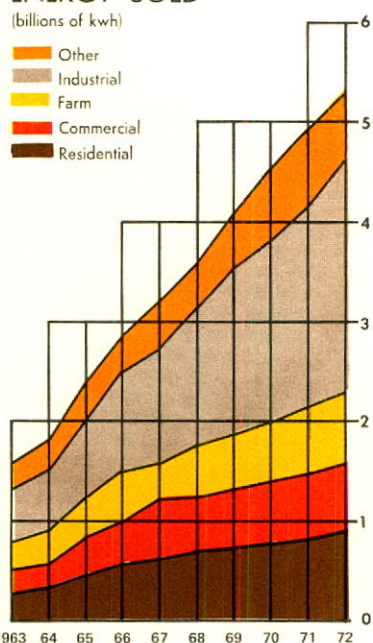
income statement

	1972	1971	%
	(\$ Millions)		Increase (Decrease)
REVENUE			
Electricity sales	79.3	76.2	4.1
Other income	0.7	0.7	—
	<u>80.0</u>	<u>76.9</u>	<u>4.0</u>
EXPENSES			
Fuel & power purchased	9.1	8.0	13.8
Operating expense ..	26.1	23.4	11.5
Depreciation	17.1	16.5	3.5
Interest & other debt cost	16.7	16.2	3.7
	<u>69.0</u>	<u>64.1</u>	<u>7.6</u>
NET INCOME	<u>11.0</u>	<u>12.8</u>	<u>(14.1)</u>

ENERGY SOURCES



ENERGY SOLD



generation statistics

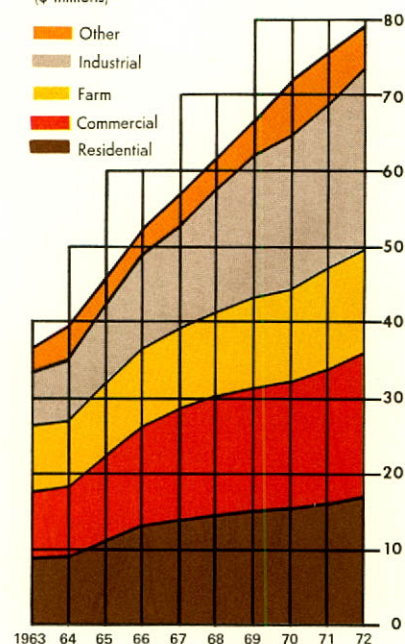
Power Station	Rated Generating Capacity (Kw)	Gross Kwh (000's)	% Increase (Decrease) From 1971
HYDRO			
Squaw Rapids	280,000	1,243,550	6.6
Coteau Creek	187,000	1,131,638	25.6
Total	467,000	2,375,188	14.9
STEAM			
Boundary Dam	432,000	2,534,791	10.9
Estevan	70,000	136,156	(34.2)
A. L. Cole	108,000	142,557	(10.9)
Queen Elizabeth	232,000	703,003	17.0
Regina "A"	65,000	62,800	(25.0)
Total	907,000	3,579,307	7.2
INTERNAL COMBUSTION			
Kindersley	29,000	65,718	(59.9)
Swift Current	11,500	34,975	(25.8)
Success	45,000	1,557	(75.4)
Regina "B"	23,000	1,344	(28.8)
Total	108,500	103,594	(52.8)
Total Generation	1,482,500	6,058,089	7.7
Less Station Service		244,746	8.1
Net Generated		5,813,343	7.7
Net Purchased		61,952	76.4
Net System Kwh		5,875,295	8.1
Northern Diesel Plants	3,000	2,100	41.4
Northern Purchases		964	28.2
Total	1,485,500	5,878,359	8.1
Gross Peak Load (1800 hrs. Dec. 5/72)	1,175,000		7.9
Gross Minimum Load (0600 hrs. July 15/72)	369,000		10.8

rates and customer service

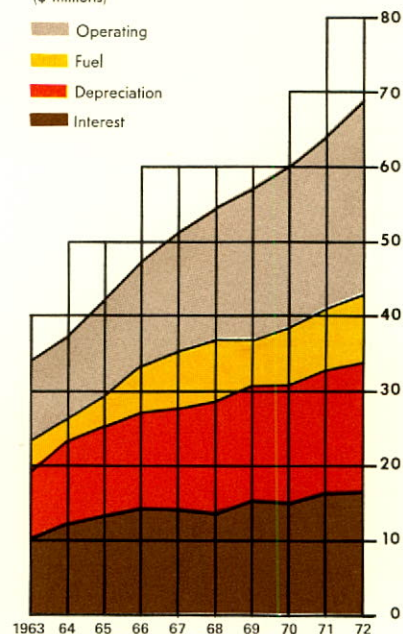
A number of rate changes and consolidations were carried out during the year. The most significant change involved farm rates where fifteen rate classifications were consolidated into two new schedules. About 66,000 farm customers were placed on a rate which permits the use of up to 15 kilowatts of capacity without changing

from one rate to another as the load increases. Some 600 farms with loads greater than 15 kilowatts were placed on a new large farm rate. These customers are billed on the basis of the capacity they utilize each month. Previously, they were charged according to the installed transformer capacity whether or not the capacity was

ELECTRIC SALES REVENUE
(\$ millions)



ELECTRIC EXPENSES
(\$ millions)



utilized. The overall result of this change in the first full year is a reduction in revenue of about \$240,000.

Rates for resort customers were revised to permit one meter reading each year instead of two and to reduce the rate for winter consumption from 5c per kilowatt-hour to 1.2c per kilowatt-hour.

Rates for customers served from northern power lines were reduced in July to the same level as in the rest of the province. At the same time, the Corporation's subsidiary company, North-Sask Electric Ltd. reduced most rates in the communities which it serves. These reductions will result in a reduction in revenue of about \$175,000 per year at 1972 consumption levels.

Customer information and service programs aimed at assisting customers to use electricity more efficiently and effectively were expanded during the year. These included an enlarged information program to assist farm customers, the provision of lighting design services, and courses on energy utilization in curling and skating rinks.

Electrically operated oil pipeline pumping capacity was increased by 50,000-horsepower during the year. In addition, a 50,000-kilowatt electric arc furnace was being installed in a Regina steel mill for operation early in 1973.

construction program

Capital expenditure on new plant and equipment in 1972, with comparative figures for 1971, was as follows:

	1972	1971
	(\$ Millions)	
Generation Facilities	14.2	14.8
Transmission Facilities	6.4	7.2
Distribution Facilities	6.5	6.1
Total	27.1	28.1

Installation of a third 150,000-kilowatt generating unit at the Boundary Dam Station continued, requiring expenditures of \$13.4 million in 1972. At year-end, the construction of the boiler and coal handling equipment was complete and the turbine-generator was in the early stages of assembly. A two-month strike by construction

workers employed by project contractors delayed the work. Operation of the unit, scheduled for the fall of 1973, is expected to be on time as a result of rearrangement and acceleration of work schedules to regain the lost time.

A second high-voltage interconnection with Manitoba Hydro was completed and commissioned in August. This new circuit between Yorkton and Dauphin, together with the existing link between Estevan and Brandon, provides a power interchange capability between the provinces of 300,000-kilowatts.

Thirty-five miles of 138,000-volt transmission line was built to Landis from the switching station at Ermine. This line was necessary to improve reliability of service and provide additional capacity to meet load growth in the North Battleford area.

Power supply to downtown Regina was reinforced by the installation of a major new substation supplied from the 72,000-volt ring feeder around the city perimeter.

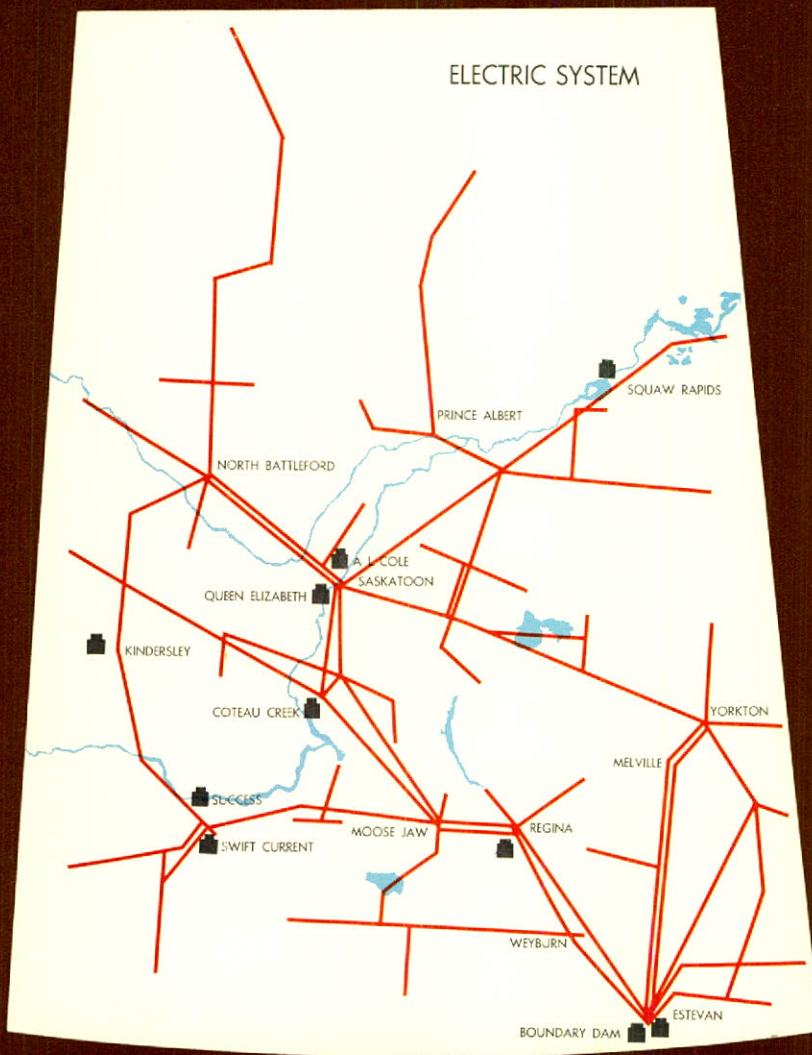
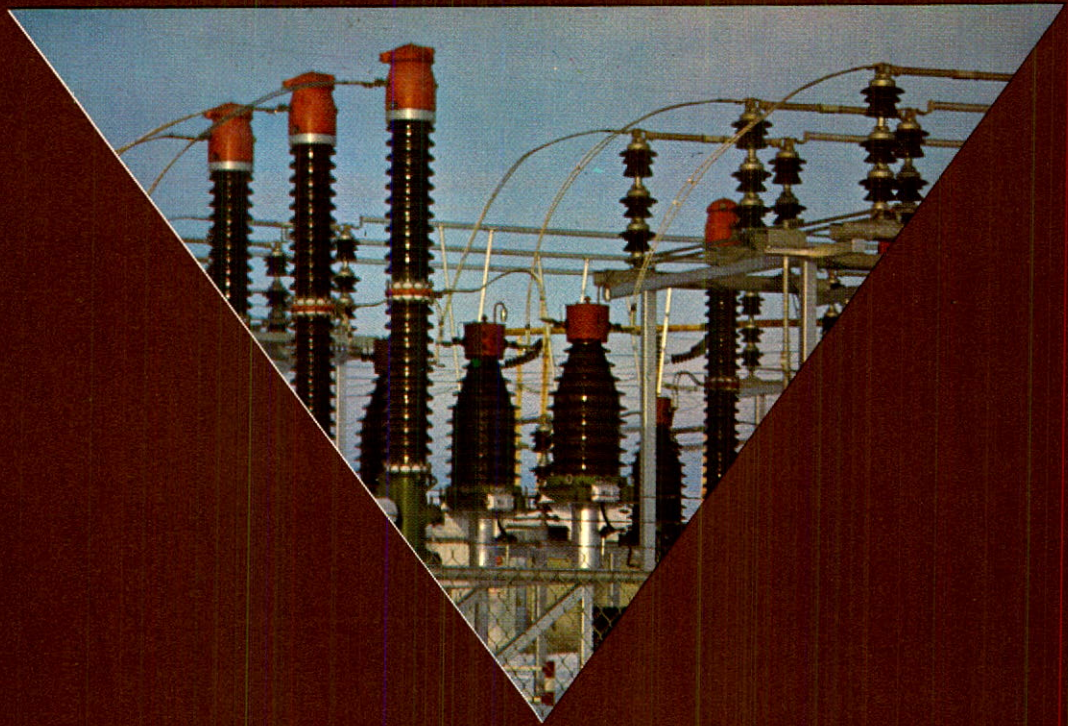
future resources

Load growth continued at a more modest rate than in the 1960's, although it remained close to the National average. Long range studies of power sources for the future included preliminary investigations of thermal generation in southern Saskatchewan and hydro-electric generation in the north.

A survey of lignite coal deposits in southern Saskatchewan, begun in 1971, has confirmed substantial reserves of this fuel. The Corporation holds exploration rights on 621 sections of land in south-central Saskatchewan. A drilling program was undertaken to determine more accurately the reserves available from the lands covered by the permits. In the Estevan area, drilling was carried out to evaluate the deeper coal seams underlying areas previously strip mined.

Studies of the undeveloped hydro-electric potential of the Fond du Lac, Churchill, and Saskatchewan Rivers continued. Further studies and field investigations were planned, in co-operation with Provincial Government Departments and agencies, to determine the social and environmental impacts of such potential hydro-electric installations.





SASKATCHEWAN POWER CORPORATION *and wholly-owned subsidiaries*

FINANCIAL RESULTS

1972

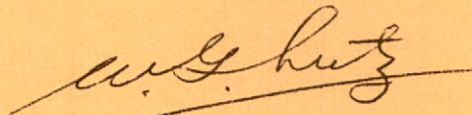
Auditor's Report

I have examined the consolidated balance sheet of Saskatchewan Power Corporation and its wholly-owned subsidiaries as at December 31, 1972, and the consolidated statements of income and retained income and source and application 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 I considered necessary in the circumstances.

Contributions in Aid of Construction, shown under that caption on the balance sheet, are being accounted for in accordance with the provisions of a 1956 Order-in-Council. While this accounting treatment was in accordance with common practice at that time, I am of the opinion that the accounting for these contributions requires re-examination. Some portion of the contributions are of a nature that their amortization through the income account over the useful life of the assets constructed to serve the respective customers appears to be more in keeping with current Canadian accounting practice. Accounting for the entire amount on this basis would have added some \$2 million to the 1972 net income and, applied retroactively, would increase retained income by at least \$25 million.

In my opinion, except for the foregoing qualification with respect to accounting for contributions in aid of construction, these consolidated financial statements present fairly the financial position of Saskatchewan Power Corporation and its wholly-owned subsidiaries as at December 31, 1972, and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for the provision for foreign exchange as described in Note 5 to the financial statements, on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
February 1, 1973.



W. G. Lutz, C.A.,
Provincial Auditor.

FINANCIAL COMMENTS

Net Income — Total income from the sale of electricity and natural gas increased by 4.9% to \$123.7 million. This increase was somewhat smaller than has been experienced during recent years. Partly because of the more modest revenue increase and partly because of the continuing increase in major expense items, net income at \$20.0 million was lower by \$1.3 million than the comparable figure for 1971. The outlook for 1973 is for a further decline as the cost of major expense items is again expected to increase at a faster rate than income.

The \$1.3 million decline in net income is a combination of a \$1.8 million decline from Electric operations and a \$.5 million increase from Gas operations.

Increases in expense items are general with salary and wage costs registering the most significant change. The Corporation's total wage and salary costs amounting to \$24.9 million plus fringe benefit costs of \$1.5 million were up 9.7% over 1971. A portion of this increase is due to the addition of 33 in the average monthly number of employees.

In addition to the increase in salary and wage costs, depreciation and net interest costs were up by \$.9 million and \$.7 million respectively, the cost of gas sold increased by \$1.1 million and power plant fuel costs advanced by \$.6 million.

Financing — The Corporation's operations provided \$44.1 million in funds, down approximately \$.2 million from 1971.

To supplement internally generated funds, \$27.7 million in long-term advances was received from the

Province. The funds were borrowed by the Province from the Canada Pension Plan at an average interest rate of 7.36%. The interest rate on advances received in 1971 was 7.27%.

While the Source and Application of Funds Statement indicates a significant decline in working capital, the principal reason therefore was the recording in 1972 of the transfer of 50% of both 1971 and 1972 net income to the Province. Usually the transfer of income is recorded in each year's records.

Capital advances from the Province were repaid prior to the normal due date thereof to the extent of \$46.3 million following the cancellation of Province of Saskatchewan securities held as investments in Provincial sinking funds.

Taxes — During the year the Corporation paid taxes, rentals and royalties to the various levels of government as shown below:

	\$ Millions
Canada (estimate)	2.2
Province of Saskatchewan	2.8
Province of Alberta4
Urban Municipalities	2.3
	<hr/>
	7.7
	<hr/>

Surcharges and taxes on electricity bills resulted in the collection of a further \$5.5 million on behalf of municipal and provincial governments. This included \$3.1 million in Education and Health Tax collected for the Province and \$2.4 million in surcharges collected for urban municipalities.

YEAR ENDED DECEMBER 31

See notes and major accounting policies on pages 8, 9, 10 and 11

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

YEAR ENDED DECEMBER 31

SOURCE OF FUNDS	1972 (000's)	1971 (000's)
Net Income (Note 5)	\$ 19,971	\$ 21,295
Add Transactions not requiring funds:		
Depreciation and depletion	24,398	23,381
Other (Note 5)	(244)	(322)
	<hr/>	<hr/>
Funds from operations	44,125	44,354
Contributions in aid of construction	2,248	1,988
Advances from the Province of Saskatchewan	27,714	28,624
	<hr/>	<hr/>
	74,087	74,966
	<hr/>	<hr/>
 APPLICATION OF FUNDS		
Repayment of long-term debt	27,168	25,336
Expenditures on plant and equipment	40,534	34,392
Income transferred to the Province of Saskatchewan	20,900	—
Net change in other items	16	194
	<hr/>	<hr/>
	88,618	59,922
	<hr/>	<hr/>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ (14,531)</u>	<u>\$ 15,044</u>

See notes and major accounting policies on pages 8, 9, 10 and 11

CONSOLIDATED BALANCE SHEET

ASSETS

UTILITY PLANT	1972 (000's)	1971 (000's)
Plant in service at cost (Note 6)	\$ 789,094	\$ 765,367
Less: Accumulated depreciation and depletion	220,620	197,467
	<hr/>	<hr/>
	568,474	567,900
Construction work in progress	30,411	14,979
	<hr/>	<hr/>
	598,885	582,879
	<hr/>	<hr/>
CURRENT ASSETS		
Accounts receivable — Customers	9,718	8,429
— Unbilled sales	11,493	11,138
— Other	1,756	1,337
Operating and construction inventories at cost	4,823	4,635
Gas in storage at cost (Note 7)	830	752
Prepaid expenses	525	522
	<hr/>	<hr/>
	29,145	26,813
	<hr/>	<hr/>
OTHER ASSETS	1,943	1,741
	<hr/>	<hr/>
	 <u>\$ 629,973</u>	 <u>\$ 611,433</u>

AT DECEMBER 31

LIABILITIES

	1972 (000's)	1971 (000's)
LONG-TERM DEBT (see schedule)	\$ 466,937	\$ 494,978
Less: Sinking funds (see schedule)	88,516	111,944
	<u>378,421</u>	<u>383,034</u>
RETAINED INCOME	118,064	118,993
CONTRIBUTIONS IN AID OF CONSTRUCTION (Note 8)	65,810	63,589
	<u> </u>	<u> </u>
 CURRENT LIABILITIES		
Bank loan	5,791	1,501
Income payable to the Province of Saskatchewan	10,500	—
Long-term debt due within one year	21,369	21,139
Interest accrued	8,978	9,049
Accounts payable	11,617	9,703
	<u>58,255</u>	<u>41,392</u>
 CUSTOMER DEPOSITS	3,821	3,635
UNAMORTIZED DEBT COSTS AND GAINS (Note 9)	5,602	790
	<u>\$ 629,973</u>	<u>\$ 611,433</u>

See notes and major accounting policies on pages 8, 9, 10 and 11

NOTES TO THE FINANCIAL STATEMENTS

1. Capitalized Expenses

Engineering, Administrative and Supervisory costs applicable to capital projects to the extent of \$2,369,251 (\$2,061,066 in 1971) have been capitalized and excluded in the determination of these expenses.

2. Depreciation and Depletion

Total depreciation provision for 1972 was \$23,279,864 of which \$144,999 was capitalized. Corresponding figures for 1971 were \$22,360,921 and \$153,561 respectively.

Total depletion for 1972 was \$1,262,856 compared to \$1,173,991 in 1971. The full cost method of accounting for the acquisition costs of gas in place and exploration and development costs was adopted retroactively in 1972. A retroactive adjustment of \$105,000 is reflected in 1972 depletion expense.

3. Interest Expense (000's)

	1972	1971
Interest on long-term debt	\$30,305	\$29,034
Other interest	227	222
Amortization of debt costs and gains		
Debt discount and expense	722	743
Gain on early repayment of debt (see Note 9)	(833)	(699)
Provision for foreign exchange	(236)	(493)
	<u>30,185</u>	<u>28,807</u>
Less: Interest capitalized	1,558	1,063
Sinking fund earnings	6,724	6,524
	<u>8,282</u>	<u>7,587</u>
	<u>\$21,903</u>	<u>\$21,220</u>

4. Income Transferred to the Province of Saskatchewan

The recorded transfer is equal to 50% of net income for 1971 and 1972 plus 50% of the foreign exchange adjustment for 1970 (\$240,000).

5. Foreign Exchange Provision

In 1964, the Corporation commenced providing for a potential foreign exchange obligation that resulted from the devaluation of the Canadian dollar in 1962. Since 1970 when the dollar was allowed to float, its value has increased and the accumulated provision for the potential foreign exchange obligation has become excessive. Retained Income has been adjusted in 1972 to reflect the amortization into income of \$493,000 for 1971 and \$480,000 for 1970 thereby continuing the pre 1970 accounting policy of accounting for foreign exchange translation gains and losses. Net income for 1971 has been restated to reflect this adjustment. A further amount of \$236,000 has been amortized into income for 1972 as part of interest and other debt costs.

6. Utility Plant in Service (000's)

	Cost	Deprec. & Depletion
Electric		
Generation	\$252,000	\$ 54,569
Transmission	100,594	25,177
Distribution	189,852	58,952
	<u>542,446</u>	<u>138,698</u>
Gas		
Production, gathering and treatment	46,410	22,851
Compression and transmission	95,320	23,046
Distribution and storage	72,404	20,704
	<u>214,134</u>	<u>66,601</u>
General Plant	32,514	15,321
	<u>\$789,094</u>	<u>\$220,620</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Gas in Storage Inventory

The value of cushion gas, \$338,130, included in inventory at December 31, 1971, was transferred to Plant in Service. The remainder of the opening inventory was increased in value by \$263,940 to reflect a change from the initial cost to a current year average cost basis of pricing gas in inventory. The cost of gas sold during 1972 would have been greater by \$54,590 under the previous basis of determining cost.

8. Contributions in Aid of Construction

Represents accumulated capital contributions required from customers in order that services requiring substantial capital investment can be provided at established rates for such service. Approximately \$522,000 is subject to refund.

9. Unamortized Debt Costs and Gains (000's)

	1972	1971
Unamortized gains arising from the early repayment of long-term debt	\$10,766	\$ 6,676
Less unamortized debt discounts and expenses applicable to advances received from the Province of Saskatchewan	5,164	5,886
	<u>\$ 5,602</u>	<u>\$ 790</u>

During the year, advances from the Province totalling \$46,340,719 were repaid prior to their normal due date following the cancellation of Province of Saskatchewan debentures held as investments in sinking funds. The difference between the sinking fund book value and the par value of the debentures cancelled amounted to \$4,923,480. This difference together with unamortized amounts from previous debenture cancellations is being amortized into income over the remaining term of the debentures cancelled. The credit to interest and other debt costs in 1972 was \$833,000 (\$699,000 in 1971).

MAJOR ACCOUNTING POLICIES

Consolidation — The consolidated financial statements include the financial position and operating results of the three wholly-owned subsidiaries of the Saskatchewan Power Corporation.

Many Islands Pipe Lines Limited produces, purchases and transports gas in Alberta for the exclusive use of the Corporation.

Many Islands Pipe Lines (Canada) Limited transports gas through its interprovincial transmission line from an Alberta Gas Trunk Line Ltd. metering station west of the Alberta-Saskatchewan border to the Saskatchewan Power Corporation facilities at Unity, Saskatchewan.

North-Sask Electric Ltd. operates electric generating plants and distribution systems at various locations in the northern part of the province.

Depreciation—Depreciation is calculated on a straight-line estimated service life basis for the various classes of property except for gas production and gathering systems for which the unit-of-production method is used. Estimated service lives of the major assets are as follows:

Electric System

Generation

Hydroelectric	50 years
Thermal	30 years

Transmission

Lines	40 years
Switching stations	30 years

Distribution

Oil fields	20 years
Rural and urban overhead	30 years

Gas System

Transmission lines	50 years
Distribution system	25-40 years

MAJOR ACCOUNTING POLICIES (Continued)

Gas Exploration Costs — The Corporation and its subsidiary Many Islands Pipe Lines Limited follow the full cost method of accounting for the acquisition cost of gas in place and exploration and development costs. All costs are capitalized and form part of plant in service. The annually determined depletion rate reflects additions to accumulated costs and estimated remaining recoverable reserves.

Depletion of Gas and Coal Properties — Depletion of gas and coal properties is calculated using the unit-of-production method based on estimated remaining recoverable gas and coal reserves and the unamortized costs of these reserves.

Foreign Exchange on Long-Term Debt — All long-term liabilities payable in foreign currencies are translated into Canadian dollars at rates of exchange prevailing at each year end. Translation gains or losses are amortized to income over the remaining term of each obligation and the recorded liability is decreased or increased accordingly.

Amortization of Debt Costs and Gains — Unamortized debt discounts and expenses applicable to advances received from the Province of Saskatchewan are charged to income in equal annual amounts over the period to the maturity of the debt.

From time to time the Province of Saskatchewan cancels, before the maturity thereof, Province of Saskatchewan debentures held as investments in sinking funds for the repayment of such debentures. Advances from the Province to the Corporation which were initially financed by the cancelled securities are repaid and the difference between the book value and par value of the cancelled debentures is amortized into income on a yield basis over the remaining term of the debentures cancelled.

Superannuation — The Corporation's financial obligations for the superannuation of its employees are legislated in Sections 35 and 36 of the Power Corporation Superannuation Act. The Corporation meets these obligations on a current basis by paying into the Power Corporation Superannuation Fund an amount equal to 6% of wages and salaries as defined for superannuation purposes.

SCHEDULE OF LONG-TERM DEBT

AT DECEMBER 31, 1972

(000's)

ADVANCES FROM PROVINCE OF SASKATCHEWAN

Year Received	Year Repayable	Interest Rate	Face Amount In Foreign Currency (1)	Debt Recorded	Equity in Sinking Fund
1947	1973-77	2 $\frac{5}{8}$		\$ 192	\$ —
1953	1973	3 $\frac{1}{2}$ - 4	4,533	6,423	4,480
1963	1973	5 - 5 $\frac{1}{2}$		860 (2)	1,086
1954	1974	3 $\frac{1}{4}$	3,667	3,734	2,456
1964	1974	5 - 5 $\frac{1}{2}$		1,120 (2)	1,152
1955	1975	3 $\frac{1}{4}$ - 3 $\frac{1}{2}$		11,502	7,444
1960	1975	2 - 4 $\frac{1}{2}$	40,000*	11,829	6,020
1965	1975	5 - 5 $\frac{1}{2}$		1,300 (2)	1,576
1956	1976	3 $\frac{3}{4}$ - 4 $\frac{1}{2}$	9,105	12,369	5,907
1966	1976	5 - 5 $\frac{1}{2}$		2,084 (2)	328
1957	1977	4 $\frac{3}{4}$ - 5 $\frac{1}{4}$	23,830	30,277	12,878
1961	1977	4 $\frac{3}{4}$	4,355	4,355	1,595
1967	1977	5 - 6 $\frac{1}{2}$		2,625 (2)	184
1968	1978	5 $\frac{1}{2}$ - 6 $\frac{1}{2}$		4,164 (2)	278
1959	1979	5 - 5 $\frac{3}{4}$		9,673	2,823
1961	1979	5 $\frac{3}{4}$		5,100	1,181
1960	1980	5 - 6		15,739	2,790
1961	1981	5 - 5 $\frac{1}{2}$		8,942	1,931
1962	1982	5 $\frac{1}{8}$ - 5 $\frac{1}{2}$		26,037	2,391
1963	1982	5 $\frac{1}{4}$		10,248	698
1958	1983	4 $\frac{1}{8}$	14,420	14,656	5,967
1963	1983	5 - 5 $\frac{1}{4}$	19,355	22,775	3,549
1959	1984	4 $\frac{3}{4}$ - 5	22,113	22,428	7,645
1964	1984	5 $\frac{1}{4}$ - 5 $\frac{1}{2}$		3,463	166
1964	1985	5 $\frac{1}{2}$		8,014	546
1965	1985	5 $\frac{1}{2}$		2,140	—
1966	1986	5 $\frac{7}{8}$ - 6 $\frac{1}{4}$		14,996	996
1966-67	1986-87	5 $\frac{1}{4}$ - 5 $\frac{1}{2}$		13,033 (3)	2,821
1967	1987	6		8,284	279
1967-68	1987-88	5 $\frac{1}{4}$ - 6 $\frac{1}{2}$		9,752 (3)	1,709
1968	1988	7 $\frac{1}{4}$		13,408	458
1968-69	1988-89	6 $\frac{1}{2}$ - 7 $\frac{1}{4}$		27,908 (3)	3,711
1969	1989	7 $\frac{5}{8}$	13,550	14,506	105
1969-70	1989-90	7 $\frac{1}{4}$ - 8 $\frac{1}{2}$		32,907 (3)	3,156
1965	1990	4 $\frac{7}{8}$	4,115	4,441	569
1970	1990	8 $\frac{3}{4}$		15,000	618
1970-71	1990-91	6 $\frac{3}{4}$ - 8 $\frac{1}{4}$		33,062 (3)	2,041
1961	1991	5 $\frac{3}{4}$		4,000	1,817
1971-72	1991-92	6 $\frac{3}{4}$ - 7 $\frac{1}{2}$		27,613 (3)	837
1972	1992	7 - 7 $\frac{1}{2}$		20,118 (3)	—
1964	1994	5 $\frac{1}{2}$		4,336	343
				<u>\$ 485,413</u>	<u>\$ 94,531</u>

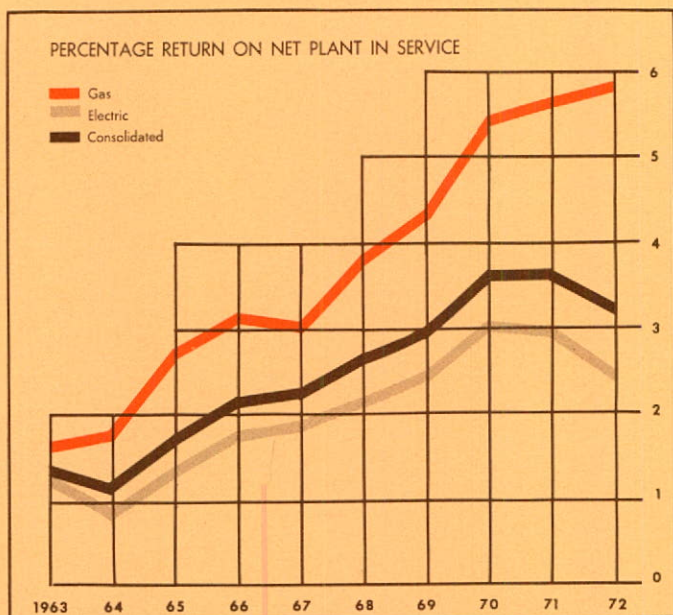
ADVANCES FROM PROVINCE OF SASKATCHEWAN — Continued

OTHER LONG-TERM DEBT

	Debt Recorded	Equity in Sinking Fund
City of Regina—This is the present value on the basis of $5\frac{1}{2}\%$ interest rate of estimated payments yet to be made to the City for its electrical system. Final payment expected to be made in 1983.	\$ 7,890	
City of Weyburn—This is the outstanding portion of the \$2 million purchase price for the City's electrical system. Semi-annual payments, with interest at $5\frac{1}{2}\%$ will retire the liability in 1979.	955	
Royal Bank of Canada Mortgages—6% first mortgages on houses in Estevan.	63	
	494,321	94,531
Amounts due within one year	27,384	6,015
	<u>\$ 466,937</u>	<u>\$ 88,516</u>

- (1) United States dollars except the item (*) which is Swiss francs.
- (2) Advances totalling \$12,153,000 are subject to redemption on demand.
- (3) Advances totalling \$164,393,000 with an original term of 20 years are subject to redemption on six months notice.
- (4) Sinking fund installments and debt repayments for the next five years are as follows: (000's)

1973—\$21,369;	1974—\$20,000;	1975—\$22,800;	1976—\$22,900;	1977—\$24,500.
----------------	----------------	----------------	----------------	----------------



CONSOLIDATED INCOME

ELECTRIC SYSTEM

Sales (1).....
Other.....

Operating, maintenance and administrative expenses.....
Depreciation.....
Interest and other debt costs—net.....

Net income.....

GAS SYSTEM

Sales (1).....
Other.....

Operating, maintenance and administrative expenses.....
Depreciation and depletion.....
Interest and other debt costs—net.....

Net income.....

Consolidated Net Income.....

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS

Funds from operations.....
Contributions in aid of construction.....
Long-term debt.....
Other.....

APPLICATION OF FUNDS

Repayment of long-term debt.....
Expenditures on plant and equipment.....
Income transferred to the Province of Sask.....

Increase (decrease) in working capital.....

CONSOLIDATED BALANCE SHEET

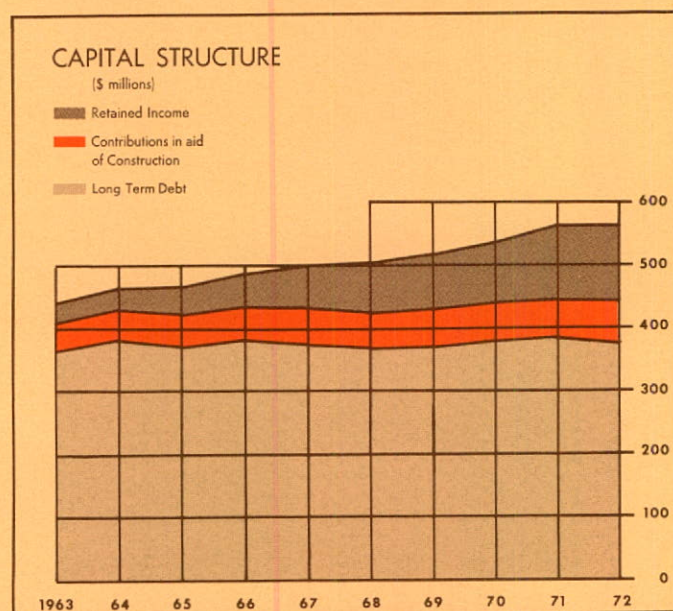
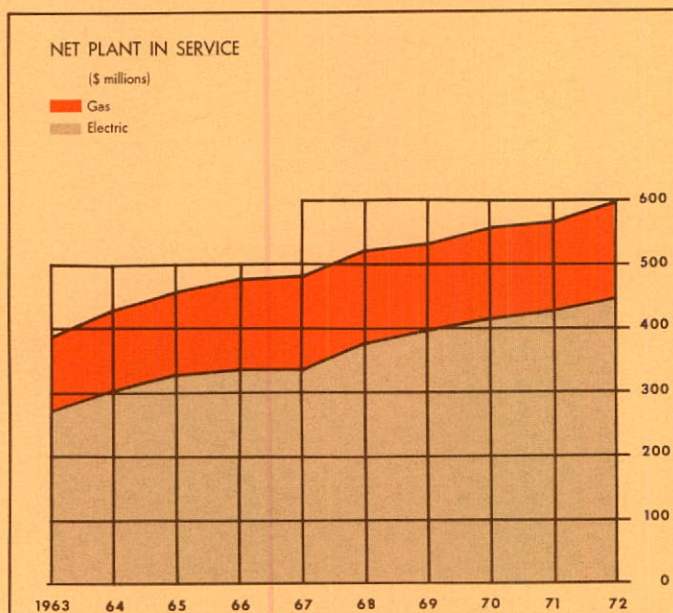
ASSETS

Plant in service—cost.....
Accumulated depreciation and depletion.....
Work in progress.....
Current and other assets.....

LIABILITIES

Long-term debt—net.....
Retained income (2).....
Contributions in aid of construction.....
Current and other.....

PERCENTAGE EQUITY.....



FINANCIAL STATISTICS (000's)

1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
\$ 79,246 735	\$ 76,169 726	\$ 72,387 541	\$ 67,020 608	\$ 62,425 583	\$ 57,223 736	\$ 52,866 754	\$ 46,145 825	\$ 39,778 793	\$ 36,893 1,156
79,981	76,895	72,928	67,628	63,008	57,959	53,620	46,970	40,571	38,049
35,149	31,427	29,273	26,550	25,843	23,626	20,310	16,710	14,290	14,726
17,123	16,537	15,970	15,590	15,252	13,897	13,159	12,223	10,963	9,322
16,700	16,103	14,614	15,493	13,549	14,050	14,225	13,384	12,512	10,572
68,972	64,067	59,857	57,633	54,644	51,573	47,694	42,317	37,765	34,620
11,009	12,828	13,071	9,995	8,364	6,386	5,926	4,653	2,806	3,429
47,972 596	45,223 651	42,306 542	38,760 516	36,140 327	32,077 614	30,081 462	27,285 297	23,019 279	20,278 349
48,568	45,874	42,848	39,276	36,467	32,691	30,543	27,582	23,298	20,627
27,128	25,446	22,925	20,965	18,641	16,371	14,315	12,491	10,779	9,422
7,275	6,844	6,933	6,347	6,246	5,866	5,671	4,902	4,261	3,747
5,203	5,117	4,796	5,767	5,883	5,941	6,101	6,441	5,981	5,433
39,606	37,407	34,654	33,079	30,770	28,178	26,087	23,834	21,021	18,602
8,962	8,467	8,194	6,197	5,697	4,513	4,456	3,748	2,277	2,025
19,971	21,295	21,265	16,192	14,061	10,899	10,382	8,401	5,083	5,454
44,125	44,354	44,340	39,975	37,111	32,170	30,801	26,613	21,226	19,095
2,248	1,988	1,612	1,760	2,016	2,995	2,217	2,210	2,545	3,747
27,714 (16)	28,624 (194)	47,870 (2,795)	45,016 8,216	50,603 911	32,938 9,923	41,105 1,060	49,954 6,548	38,305 52	53,663 5,947
74,071	74,772	91,027	94,967	90,641	78,026	75,183	85,325	62,128	82,452
27,168	25,336	32,730	48,494	59,573	42,904	35,477	49,954	20,362	26,656
40,534	34,392	36,812	28,487	38,639	43,480	42,338	49,172	37,890	43,028
20,900	—	10,400	8,100	3,500	3,000	—	—	—	—
88,602	59,728	79,942	85,081	101,712	89,384	77,815	99,126	58,252	69,684
(14,531)	15,044	11,085	9,886	(11,071)	(11,358)	(2,632)	(13,801)	3,876	12,768
789,094 (220,620)	765,367 (197,467)	733,869 (175,891)	695,260 (159,942)	662,392 (140,570)	600,571 (118,650)	582,829 (102,170)	551,663 (87,276)	510,945 (75,178)	459,051 (63,398)
30,411	14,979	14,040	22,844	30,225	53,839	31,384	24,148	20,720	36,995
31,088	28,554	27,943	25,002	34,202	34,126	33,193	31,854	33,755	43,894
629,973	611,433	599,961	583,164	586,249	569,886	545,236	520,389	490,242	476,542
378,421	383,034	380,239	372,670	370,056	377,761	384,290	377,284	371,195	369,153
118,064	118,993	97,698	86,843	78,751	68,190	52,871	42,489	34,088	29,005
65,810	63,589	61,624	60,012	58,252	56,838	53,523	50,911	48,701	46,156
67,678	45,817	60,400	63,639	79,190	67,097	54,552	49,705	36,258	32,228
\$ 629,973	\$ 611,433	\$ 599,961	\$ 583,164	\$ 586,249	\$ 569,886	\$ 545,236	\$ 520,389	\$ 490,242	\$ 476,542
22.8	22.7	19.5	18.0	16.5	14.3	11.3	9.4	8.0	7.2

(1) Intersystem usage of gas and electricity is included in system sales. This usage is eliminated on the statement of Consolidated Income and Retained Income.

(2) In 1967, retained income was increased by \$7,420,000 recording unbilled sales and an adjustment to sinking funds.

OBJECTIVES OF SASKATCHEWAN POWER CORPORATION

As a Crown Corporation created by an Act of the Legislature, the overall objective of the Saskatchewan Power Corporation is to produce or acquire, distribute and supply, electric power and natural gas service in a reliable, safe, and efficient manner to the residents of Saskatchewan to meet their current and long-term social and economic needs and requirements for these services. In furnishing these services the Corporation will:

Charge fair and reasonable rates, commensurate with the cost of supplying service at a high level of reliability, which will provide a return sufficient to ensure sound financing while, at the same time, accommodating social and economic programs of the Government.

Ensure that the wide powers granted the Corporation by the Legislature are used fairly and reasonably, always respecting the rights of people and the laws of Saskatchewan and Canada.

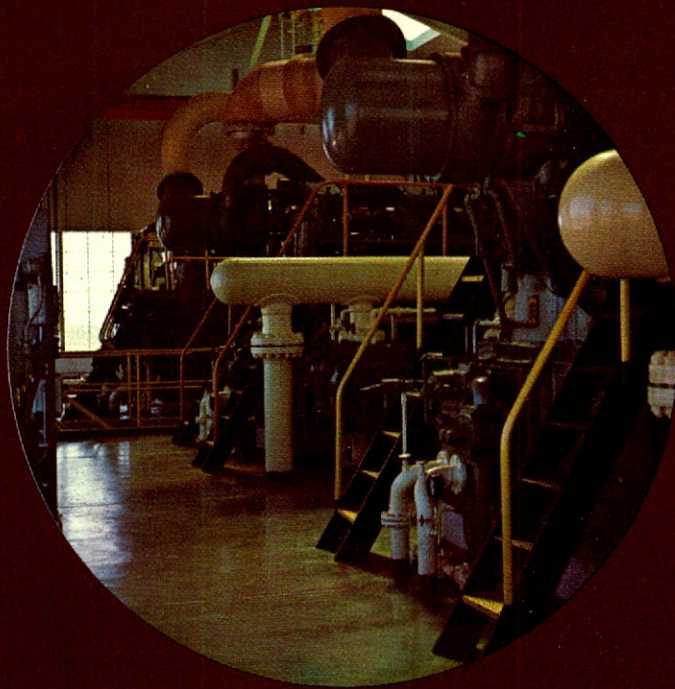
Deal with customers and the public in general in a manner that establishes and maintains confidence in the Corporation and the highest possible level of public and customer relations.

Make effective and efficient use of human, financial, and physical resources employed by the Corporation.

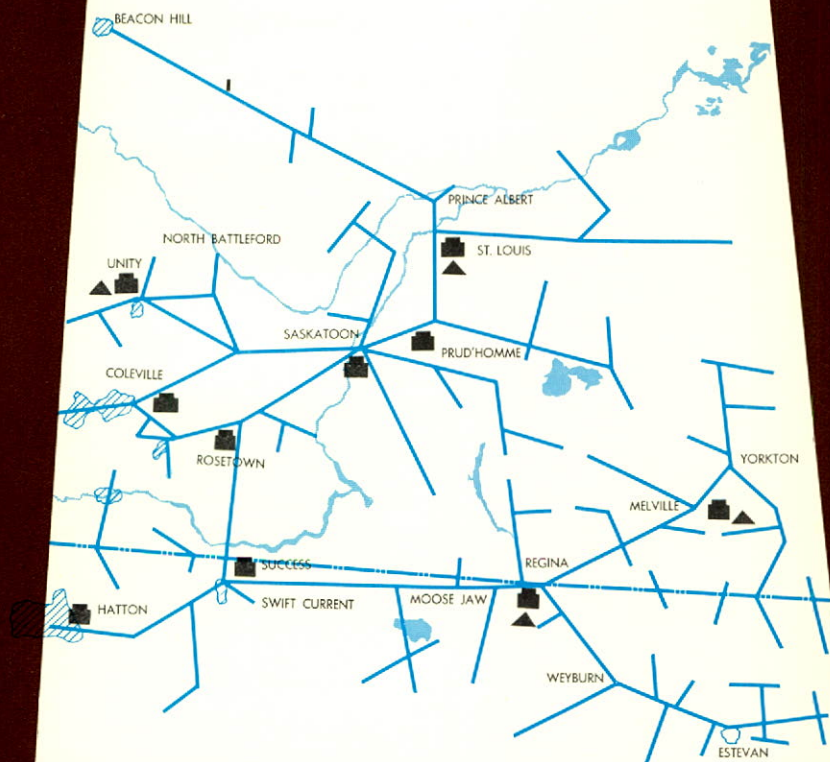
Develop available energy resources in such a manner as to maintain a reasonable and acceptable balance between the preservation of the environment and the energy demands of economic growth.

Ensure that all management and staff contribute to the effectiveness and efficiency of the Corporation by providing for the development of each employee's capabilities; demanding each employee contribute to his full capability, recognizing achievement and contribution through internal promotion; paying reasonable salaries and wages, and maintaining a high level of job security.

Ensure that the Corporation's activities benefit the Saskatchewan economy to the maximum extent possible by giving highest priority to the utilization of Saskatchewan labor, materials, services, and products.



GAS SYSTEM



gas system

operations

Revenue from gas sales rose 6.1% over the previous year. Residential and other space heating customers showed the greatest increase. This reflected both an increase in the number of customers and a year which was 6% colder than 1971 and 9% colder than the long-term average.

Expenses increased at about the same rate as revenue. One-half the increase in expenses resulted from increased gas costs. This reflected a larger proportion of purchased gas compared to gas produced from Corporation fields, as well as the effect of price escalation in gas purchase contracts.

Net income for the year was \$9.0 million, up 5.8% over 1971.

Saskatchewan customers, not including power plants, used 74.0 billion cubic feet of gas, 7.1% more than in 1971. Total volume requirements for the year were 109 billion cubic feet, an increase of 2.0% over the year before. The increased consumption by retail customers was offset by reduced sales to TransCanada PipeLines Limited under a gas exchange agreement, and smaller quantities used in power plants for producing electricity. Sales to industrial customers were up 2.6%.

The volume of gas delivered to the provincial system on December 6, the peak load day, reached 539 million cubic feet, surpassing by 3% the maximum daily load of 1971.

Of the 6,760 new customers served with gas in 1972, 5,970 were residential customers. This is the largest number of new customers served in any year since 1968.

There were no major service interruptions or operating problems during the year. Industrial customers on interruptible supply contracts were required to curtail their consumption during unusually cold weather in January and again in December.

10

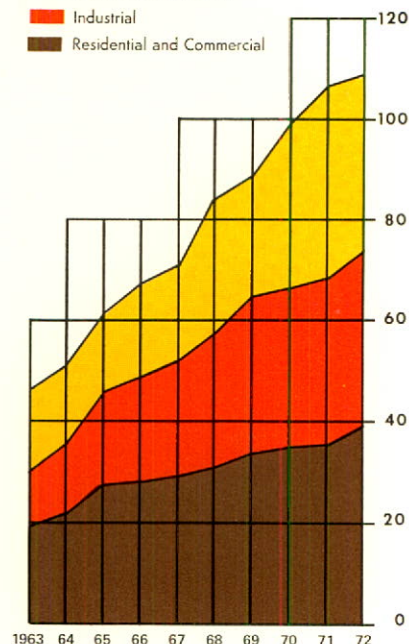
income statement

	1972	1971	% Increase
	(\$ Millions)		(Decrease)
REVENUE			
Gas sales	48.0	45.2	6.1
Other income	0.6	0.7	(8.4)
Total	48.6	45.9	5.9
EXPENSES			
Gas purchases	14.8	13.7	8.0
Operating	12.3	11.7	5.0
Depletion & depreciation	7.3	6.9	6.3
Interest & other debt costs	5.2	5.1	1.7
Total	39.6	37.4	5.9
NET INCOME			
	9.0	8.5	5.8

GAS SOLD

(billion cubic feet @ 14.65 psia)

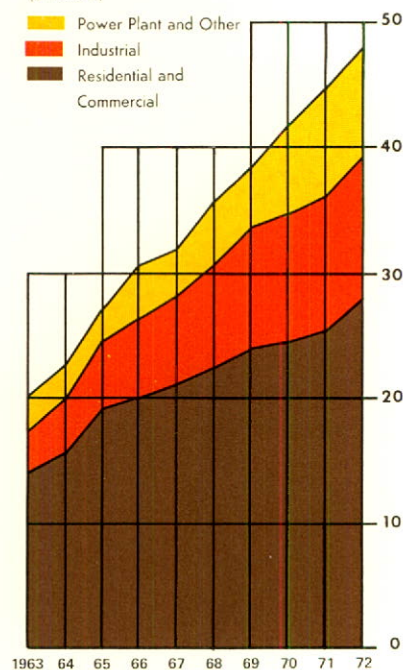
Power Plant and Other
Industrial
Residential and Commercial



GAS SALES REVENUE

(\$ millions)

Power Plant and Other
Industrial
Residential and Commercial



rates and customer service

Rates remained unchanged from previous years despite rising costs of labour and materials and rising prices for purchased gas.

Corporation staff responded to over 82,000 calls from customers to check apparent malfunctions in customer-owned equipment or to check for gas leaks. Of these calls, 30% were considered to be urgent involving either loss of heat during cold weather or suspected odor of escaping gas.

construction program

Natural gas service was extended to 23 new communities bringing the total number served to 336. Of the 6,760 new customers served in 1972, 1,490 were in new communities. The largest project associated with the new town program was the construction of 43 miles of 6-inch and 29 miles of 4-inch pipeline from Tisdale to Hudson Bay. Extensions to new communities and to enlarge existing distribution systems were installed requiring 276 miles of small diameter steel pipe and 107 miles of plastic pipe.

A 600-horsepower compressor station was constructed at Melfort to provide for new and growing loads in the communities in the northeastern part of the province. Compressor capacity at the Coleville station was increased by 1,100-horsepower and at the Hutton station by 3,000-horsepower to maintain production levels from these fields.

Capital investment in 1972 totalled \$13.1 million, including \$1.7 million for gas exploration and development. The distribution of capital expenditures for the year is shown in the table following, with comparative amounts for 1971.

	1972	1971
	(\$ Millions)	
Service to new communities	3.9	3.0
Distribution extensions in communities already served ..	1.9	1.4
Transmission	4.6	1.0
Production and gathering facilities	0.3	0.2
System improvement	0.7	0.3
Exploration and development	1.7	—
	<u>13.1</u>	<u>5.9</u>

gas supply

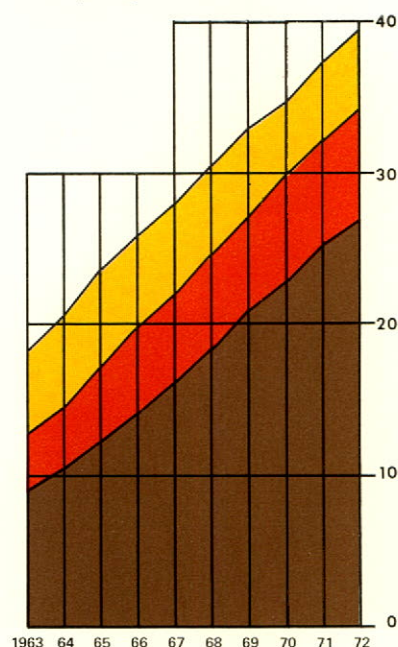
The trend of rising prices for natural gas in Alberta is of great concern as over one-third of the Corporation's gas supply comes from independent producers in Alberta. In order to increase its gas reserves and to protect these new reserves from rapidly increasing prices, the Corporation has expanded its exploration and development program and is actively engaged in a number of joint gas exploration ventures in Saskatchewan and Alberta.

The Corporation continued its intervention before the National Energy Board with respect to an application by TransCanada PipeLines Limited to increase its rates for natural gas. Early in the year, the Board allowed an overall revenue increase of 9.5%. Subsequent hearings have been concerned with apportionment of the increase among TransCanada's customers. The Corporation's intervention seeks to prevent an unfair portion of the increase from being passed on to the Corporation.

A subsidiary company, Many Islands Pipe Lines (Canada) Limited, was incorporated under Federal charter to purchase and operate the transmission line between Provost, Alberta and Unity, Saskatchewan, formerly owned by TransCanada PipeLines Limited. Purchases of gas from TransCanada PipeLines Limited for delivery through this line will not be subject to rate increases that are expected to be granted to TransCanada PipeLines Limited. In addition, ownership of the line provides the Corporation greater flexibility to take delivery of any additional gas which may be acquired in Alberta.

EXPENSES (\$ millions)

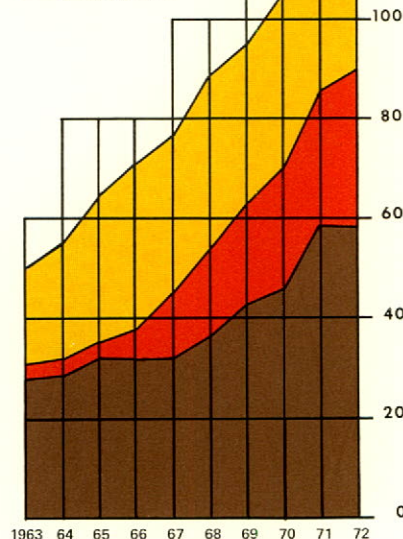
- Interest and Other Debt Charges
- Depreciation and Depletion
- Operating and Gas Purchases



GAS SUPPLY

(billions cubic feet)

- S.P.C. Production
- T.C.P.L.
- Other Purchases



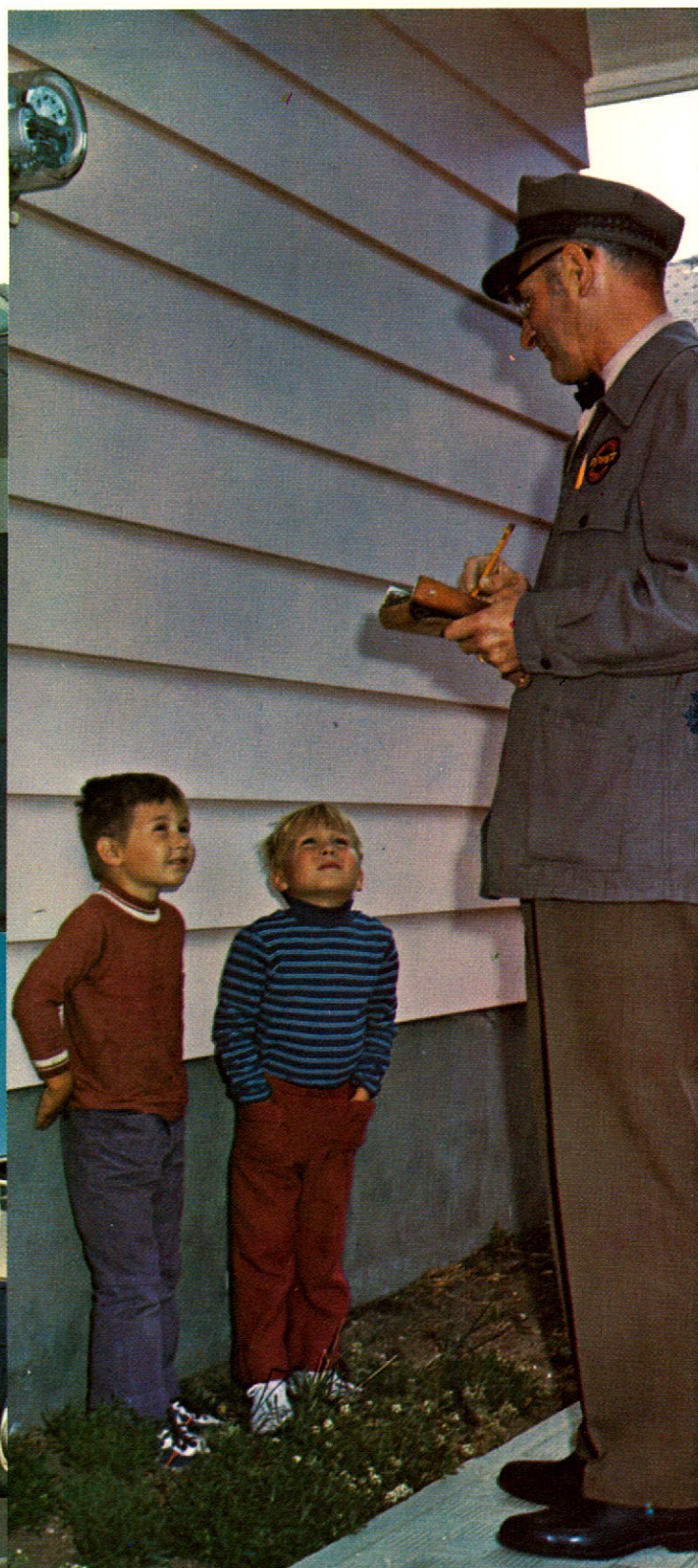
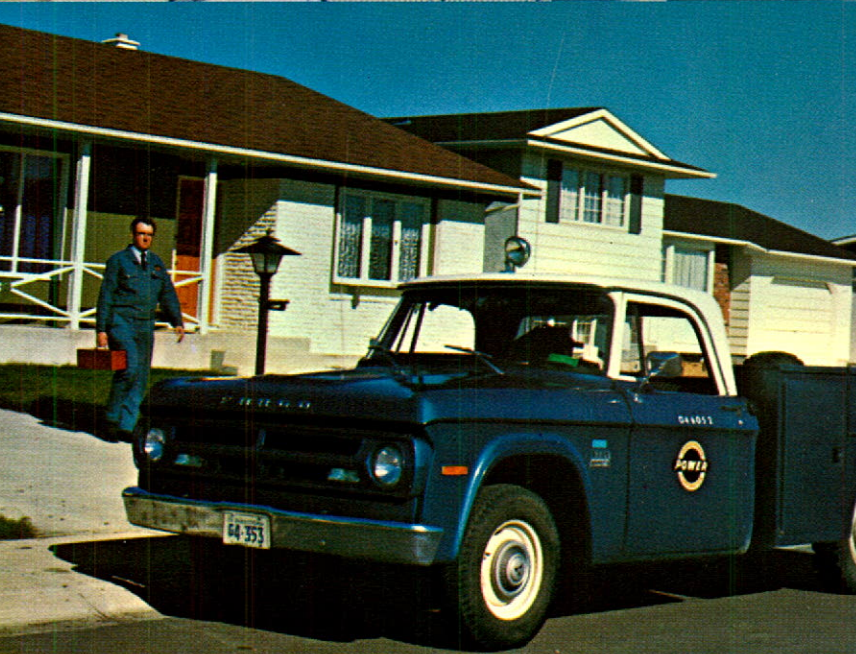
The Corporation's subsidiary, Many Islands Pipe Lines Limited, applied to the Alberta Energy Resources Conservation Board for an amendment to its 1957 export permit under which gas is removed from the Many Islands area of Alberta. The application requested that the terminal date of the permit be extended from 1983 to 1998 and that the total volume over the entire life of the permit be increased from 788 to 915 billion cubic feet.

gas supply sources

(Billions of cubic feet at 14.65 psia)

	1972	1971	% Increase (Decrease)
Purchased from field suppliers			
—Saskatchewan ..	48.5	48.5	—
—Alberta	10.5	10.7	(1.8)
SPC production			
—Saskatchewan ..	3.5	4.0	(13.6)
—Alberta	22.3	23.4	(4.7)
Purchased from TransCanada Pipelines	31.4	26.6	17.8
Total volume delivered	116.2	113.2	2.6
Storage, fuel and other uses	6.8	6.0	13.6
Total sold	109.4	107.2	2.0





administration

personnel

A two-year contract with the International Brotherhood of Electrical Workers was signed March 15. The new agreement provided for a general increase of 8% on January 1, 1972, to be followed by further increases of 5% on January 1, 1973, and 4½% on June 1, 1973.

The Corporation participated in a Canada Manpower Training-on-the-Job Program which included 32 trainee linemen and 28 trainee mechanics. Ten of these trainees have found permanent employment in the Corporation.

One hundred and fifteen high school and university students were provided with summer employment. The average monthly manpower level was 2,453, up 33 from last year.

More than 350 employees participated in regular trades training courses and in new courses for office staff and others who are regularly in contact with customers. About 130 power plant employees attended courses at the Saskatchewan Technical Institute at Moose Jaw on new developments in instrumentation and other power plant equipment.

The program of management development continued during 1972, with 75 staff members attending week-long in-house courses.

Revisions to the Power Corporation Superannuation Act resulted in increased allowances to 125 superannuates. The changes also allow employees with 20 or more years of service to retire at age 60 without any reduction in earned pension. Other changes in the Act included an increase in the maximum salary for pension purposes, an increase in interest rate on refunded contributions, and a broadening of investment powers.

During the year, 17 employees retired on pension and two others received lump sum payments on retirement under the employee savings provision of the Act.

Long-service awards were presented to 98 employees in recognition of their contribution to the Corporation.

Employee lost time accidents rose to 85 from 74 in 1971. However, medical aid accidents, not involving lost time, were down from 177 to 131. There were no employee fatalities.

Safety committees were reorganized and additional ones were formed to meet the requirements of the Saskatchewan Occupational Health Act. By year end, 57 such labor-management committees had been organized throughout the province in cooperation with the two Unions representing employees.

Local public meetings held throughout the province, to promote safety around electrical and natural gas installations, were attended by over 18,000 people. This public information program was augmented by meetings with municipal officials, excavating contractors, police detachments and local fire departments, to encourage safe working practices near Corporation facilities. In addition, a regular program of safety messages on television and radio was continued, and 89 visits were made by safety personnel to schools throughout the province.

There were 47 accidents involving members of the public and Corporation facilities. Three of the accidents resulted in fatalities.

research and development

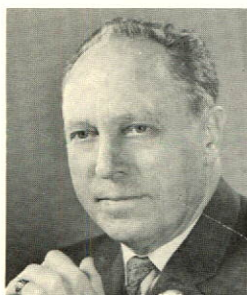
The Research and Development Centre which was formed to consolidate the Corporation's research and development activities completed three years of operation. The objectives of the Centre include the study and development of new materials, processes, or equipment which could be of direct benefit to the Corporation or its customers and on which development work is not being undertaken elsewhere.

Research projects during the past year included the development of an instrument to measure vibration on energized high-voltage conductors; the design and testing of two types of converters to produce 3-phase power from a single-phase supply; and the start of development work on a prototype electric heat storage furnace that would utilize off-peak electrical energy. The Centre also produced "state of the art" survey reports on light sources for street lighting, magnetohydrodynamic generation of electricity, and fuel cells for the generation of electricity.

Right-of-Way Compensation

Rates of compensation were increased to landowners whose fields are crossed by oilfield powerlines and by gas pipelines. The new rates, effective January 1, 1972, are based more closely on land values and on current farming practices involving the use of wider field machinery. The new rates resulted in an increase over the old rates of from 33% to 100%.

IN MEMORY



H. F. BERRY

Chairman
Saskatchewan Power Commission
1945 - 1948



record of progress

	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
OPERATIONS—ELECTRIC SYSTEM										
Customers at December 31.....	277,508	274,400	271,000	269,200	267,500	263,900	258,577	251,361	206,053	201,613
Electricity sold (millions of kwh).....	5,289	4,913	4,614	4,120	3,637	3,202	2,918	2,462	1,860	1,641
Average yearly residential consumption (kwh).....	5,315	5,010	4,861	4,750	4,420	4,258	4,108	3,830	3,306	3,092
Average yearly farm consumption (kwh).....	10,421	9,950	8,845	8,250	7,124	6,813	6,268	5,997	5,117	4,637
Rated generating capacity (kw)										
Hydro.....	467,000	467,000	467,000	467,000	467,000	280,000	281,000	201,000	201,000	134,000
Steam.....	907,000	807,000	807,000	682,000	532,000	537,000	537,000	537,000	452,000	444,000
Internal combustion.....	111,500	111,500	111,500	111,500	113,000	96,100	62,150	62,150	41,150	41,150
Total.....	1,485,500	1,385,500	1,385,500	1,260,500	1,112,000	913,100	880,150	800,150	694,150	619,150
Seasonal gross system peak load (kw).....	1,175,000	1,089,000	1,066,000	956,000	918,000	862,000	756,500	696,100	539,500	471,000
Pole miles of line excluding urban distribution system										
72 kv and higher.....	4,920	4,864	4,634	4,488	4,488	4,395	4,182	3,870	3,610	3,360
Under 72 kv.....	72,271	71,965	71,632	71,353	70,948	70,327	69,852	69,420	68,580	67,700
OPERATIONS—GAS SYSTEM (Gas volumes at 14.65 psia)										
Customers at December 31.....	157,416	150,658	145,498	142,364	137,534	129,932	122,019	113,584	105,252	97,000
Gas sold (Thousands of Mcf).....	109,356	107,187	99,309	88,697	84,485	71,562	67,835	61,519	51,646	46,768
Average yearly residential consumption (Mcf).....	197	185	188	188	180	183	182	189	167	162
Degree days deficiency (Regina).....	115,43	10,936	11,483	11,170	10,254	10,888	11,380	11,573	10,635	9,851
*Maximum daily consumption (Mcf).....	539,240	522,440	487,240	447,030	421,980	370,670	360,880	318,540	266,880	233,100
Miles of pipeline in service										
Gathering.....	480	458	455	444	443	412	410	400	350	290
Transmission and laterals.....	4,486	4,052	3,811	3,417	3,354	3,101	2,787	2,550	2,400	2,250
Distribution.....	2,527	2,336	2,217	2,107	2,012	1,896	1,769	1,649	1,549	1,439
AVERAGE MONTHLY EMPLOYEES.....	2,453	2,420	2,464	2,461	2,597	2,701	2,779	2,789	2,787	2,858

*Previous to 1967, these figures are maximum daily production.

