

Annual Report
CANADA NORTHERN POWER
CORPORATION
LIMITED



Year ended
DECEMBER THIRTY-FIRST
1951

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OFFICERS

President

A. J. NESBITT, Montreal

Vice-President and General Manager

B. V. HARRISON, Noranda, Que.

Directors

B. V. HARRISON.....	Noranda
T. IRVING.....	Montreal
DAN. ' McLACHLIN.....	Arnprior
A. J. NESBITT.....	Montreal
ALFRED H. PARADIS.....	Montreal
JOS. SIMARD.....	Montreal
P. A. THOMSON.....	Montreal
JAS. B. WOODYATT.....	Montreal

Secretary

V. J. NIXON

Treasurer

T. IRVING

Assistant Secretary

J. W. CUNNINGHAM

Assistant Treasurer

E. L. JOWETT

Assistant Secretary-Treasurer

A. H. HULL

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

P. S. ROSS & SONS

Transfer Agents and Registrars

MONTREAL TRUST COMPANY, MONTREAL, P.Q., AND TORONTO, ONT.

Head Office

355 ST. JAMES STREET WEST
MONTREAL
CANADA

CANADA NORTHERN POWER CORPORATION, LIMITED

Montreal, P.Q., March 6th, 1952.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the following report for the year ended December 31st, 1951.

Dividends amounting to Sixty Cents per share on the no par value Common Stock were paid during the fiscal year.

Power Demand The demand for power increased by over 5% during the year, output being 470,583,911 kilowatt hours, compared with 446,351,901 kilowatt hours in 1950. There was an increase of 297 in the number of customers on December 31st, 1951, the figure on that date being 12,587.

New Power Customers During the past year, a contract was entered into providing for the supply of power to the property of the Rainville Copper Mine in Louvicourt Township. A transmission line connecting this property with the Company's system was required, and this work has been completed.

Construction Activities Work on the construction of the extension to the Company's power plant on the Quinze River has been completed, and the installed capacity of this plant has been increased to 90,000 H.P. at a 90-ft. head.

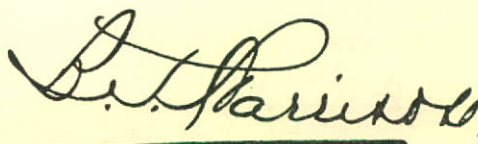
Rates It will be seen by a comparison of the total kilowatt hour output of the Company with its gross electric revenue that the rates for power furnished by your Company, when the item of taxation is taken into consideration, are as low as the cost of power to the customers of any organization furnishing similar service on this Continent, whether privately or publicly owned. These figures show that we receive 63 one-hundredths of a cent per kilowatt hour, which figure after deducting taxes (totalling \$838,675) is reduced to 46 one-hundredths of a cent per kilowatt hour.

Plants and Properties The properties of the Company have been maintained in excellent condition, and are at present at a high standard of efficiency.

Employees Your Directors wish to record their appreciation of the loyal and faithful service rendered by the employees of the Company.

The Annual General Meeting of the Shareholders of your Company will be held at Room 103, 355 St. James Street West, in the City of Montreal, on Tuesday, the 25th day of March, 1952, at 3 o'clock in the afternoon.

Respectfully submitted on behalf of the Board.



Vice-President and General Manager.

CANADA NORTHERN POWER AND SUBSIDIARIES *Consolidated Balance Sheet*

ASSETS	1951	1950
Plant Investments:		
Properties, Plant and Equipment, Organization, etc. at cost less net adjustment arising as a result of consolidation	\$16,478,812.40	\$16,036,211.98
Cash in Banks	138,520.27	120,907.59
Investments at book values —		
Marketable Securities	158,927.04	162,427.04
(Market Value — \$115,520)		
Accounts Receivable including accrued revenue	202,191.14	200,621.30
Merchandise and Maintenance Supplies:		
Inventories as shown by book records valued at not more than cost. Book records are adjusted periodically to agree with physical inventories	347,942.79	318,545.79
Bonds and cash held for sinking fund	3,767.41
Refundable portion of Excess Profits Tax	2,594.39
Prepaid and Deferred Charges	81,723.75	65,422.17
Bond Issue Discount and Financing expense, less amounts written off	175,923.64	187,011.64
Due from employees on purchase of savings bonds	12,229.88	8,542.35

Signed on behalf of the Board:

B. V. HARRISON }
JAS. B. WOODYATT } Directors.

<u>\$17,600,038.32</u>	<u>\$17,102,284.25</u>
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CANADA NORTHERN POWER CORPORATION LIMITED,
MONTREAL.

Auditors' Report to

We have examined the consolidated balance sheet of Canada Northern Power Corporation Limited and its subsidiaries as at that date and have obtained all the information and explanations we have required. Our examination includes as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and related statements of surplus and of income of the Company and its subsidiary as at December 31, 1951 and the results of their operations for the year ended on that date accord with the books and records.

Montreal, February 18, 1952.

ER CORPORATION, LIMITED

RY COMPANY

as at December 31, 1951

LIABILITIES

	1951	1950
TO THE PUBLIC:		
Funded Debt — Subsidiary Company		
First Mortgage Bonds — Authorized \$7,500,000.		
Issued:		
3% Serial Bonds Series "A" maturing		
annually to 1957 (of which \$150,000 is		
payable November 15, 1952)	\$1,200,000.00	
Redeemed to date	300,000.00	
	\$ 900,000.00	\$ 1,050,000.00
3¾% 20 year Bonds Series "A" maturing		
November 15, 1967	4,800,000.00	
Redeemed by Sinking Fund	101,500.00	
	4,698,500.00	4,750,000.00
4½% General Mortgage Bonds maturing		
November 15, 1967		
Authorized and issued	3,000,000.00	
Redeemed by Sinking Fund	121,000.00	
	2,879,000.00	2,940,000.00
	8,477,500.00	8,740,000.00
Demand Notes Payable — Power Corporation of Canada Limited...	1,649,103.05	1,270,439.79
Accounts Payable and Accrued Liabilities	134,985.41	151,056.75
Bond Interest Accrued	41,588.90	42,740.62
Provision for Taxes	360,238.81	254,464.14
Subsidiary Company Preferred Dividend accrued	4,166.67	4,166.67
Common Dividend Payable	60,000.00	60,000.00
Consumers' Deposits, including interest	142,732.07	143,374.21
	10,870,314.91	10,666,242.18
TO THE PUBLIC SHAREHOLDERS OF SUBSIDIARY COMPANY:		
5% Cumulative Redeemable Preferred Shares of \$100. each		
(Redeemable at \$103.50 upon 30 days' notice)		
Authorized and issued — 10,000 shares of \$100. each	1,000,000.00	1,000,000.00
TO THE SHAREHOLDERS — CANADA NORTHERN POWER		
CORPORATION LIMITED:		
Capital Stock:		
Common Shares of No Par Value —		
Authorized	500,000 shares	
Issued	400,000 shares	
	2,148,796.00	2,148,796.00
Reserves:		
Depreciation	5,465,173.42	5,224,100.49
Bad Debts	25,291.88	22,766.59
Surplus — Balance as at December 31, 1951	544,933.42	496,345.30
Capital Deficit (after crediting prior period adjustment of \$1,495.00)	2,454,471.31	2,455,966.31
	\$17,600,038.32	\$17,102,284.25

to the Shareholders

Subsidiary as at December 31, 1951 and the related statements of surplus and of income and expenditure for the year ended a general review of the accounting procedures and such tests of accounting records and other supporting evidence

and expenditure are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company to the best of our information and the explanations given to us and as shown by the books of the Companies.

P. S. Ross & Sons,
Chartered Accountants.

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANY

Consolidated Statement of Income and Expenditure

For the Year Ended December 31, 1951

Gross Earnings from Operations		\$2,978,368.12
DEDUCT:		
Operating Expenses	\$1,356,594.51	
Directors' Fees	9,600.00	
Executive Officers' Salaries	19,205.00	
Legal Fees	2,588.73	
Contribution to Pension Fund	18,000.00	
Provision for Bad Debts	2,981.39	1,408,969.63
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Net Operating Profit before Interest, Depreciation and Income Taxes		1,569,398.49
Income from Investments		6,160.41
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		1,575,558.90
DEDUCT:		
Interest on — Bonds of Subsidiary Company —		
First Mortgage	\$208,616.04	
General Mortgage	131,309.42	339,925.46
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— Consumers' Deposits	4,795.06	
— Other Accounts	75,196.91	
Amortization of Bond Discount and Expense	11,088.00	
Provision for: Depreciation	360,000.00	
Income Taxes	440,156.44	1,231,161.87
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Net Income for the year transferred to Surplus		<u>\$ 344,397.03</u>

Consolidated Statement of Surplus

For the Year Ended December 31, 1951

Balance at credit, January 1, 1951		\$ 496,345.30
ADD:		
Net Income for the year transferred from Statement of Income and Expenditure		344,397.03
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		840,742.33
DEDUCT:		
Prior periods adjustment of royalties applicable to water power on Quinze River, less income taxes applicable thereto	\$ 10,846.41	
Less: Discount on bonds bought for Sinking Fund	5,110.00	5,736.41
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		835,005.92
DEDUCT:		
Dividends on —		
Capital Stock of Subsidiary held by the Public	50,072.50	
Common Stock	240,000.00	290,072.50
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Balance at credit, December 31, 1951		<u>\$ 544,933.42</u>

CANADA NORTHERN POWER CORPORATION, LIMITED
AND SUBSIDIARY COMPANY

Consolidated Operating Statement

For Years Ending December 31st

	1947	1948	1949	1950	1951
Electric Revenue	\$2,012,613	\$2,001,882	\$2,425,237	\$2,763,962	\$2,981,367
(B) Miscellaneous Revenue	70,082	106,070	35,607	3,936	3,162
Gross Revenue	2,082,695	2,107,952	2,460,844	2,767,898	2,984,529
Purchased Power	297,019	316,714	617,797	558,795	430,330
Operation	313,626	343,612	351,557	364,490	381,462
Maintenance.....	59,560	80,794	106,723	97,871	172,577
Taxes (Excluding Income and Profits)	170,898	212,277	269,431	421,941	403,620
Total Operation, Maintenance and Taxes	841,103	953,397	1,345,508	1,443,097	1,387,989
Net Earnings	1,241,592	1,154,555	1,115,336	1,324,801	1,596,540
Bad Debts	2,013	2,002	2,425	2,754	2,981
Interest	24,923	277,017	284,299	354,978	419,917
Depreciation	204,000	275,335	277,460	360,000	360,000
Employees' Pension Fund	13,750	16,650	18,200	15,000	18,000
Amortization of Bond Discount	1,350	11,063	11,076	11,082	11,088
Total Deductions	246,036	582,067	593,460	743,814	811,986
Net Earnings after Deductions	995,556	572,488	521,876	580,987	784,554
Income and Excess Profits Taxes	353,030	224,220	224,158	260,208	440,157
Surplus for Year	642,526	348,268	297,718	320,779	344,397
(A) Surplus brought forward	973,584	516,888	506,285	466,958	490,609
	1,616,110	865,156	804,003	787,737	835,006
Preferred Dividends Paid	404,090	50,000	50,000	50,000	50,000
Common Dividends Paid	240,102	240,000	240,045	240,060	240,073
Net Adjustment re Financing	462,030				
Net Loss on Investments		79,378	37,640		
Premium on Bonds Redeemed				1,332	
Surplus Carried Forward	\$ 509,888	\$ 495,778	\$ 476,318	\$ 496,345	\$ 544,933
Customers Connected	9,529	10,329	11,303	12,290	12,587
Shareholders	2,986	1,595	1,538	1,469	1,415
Kilowatt Hour Output	274,144,524	295,824,896	382,539,772	446,351,901	470,583,911

(A) Adjusted for prior year charges.

(B) Miscellaneous Revenue includes merchandise net profits and losses, and earnings from investments, etc.

